City of Euless

Comprehensive Annual Financial Report
Fiscal Year Ending September 30, 2020

201 N. Ector Drive, Euless, TX 76039 www.eulesstx.gov

THE CITY OF
EULESS

City of Euless, Texas

Comprehensive Annual Financial Report
Fiscal Year Ending
September 30, 2020

Prepared by
City of Euless
Finance Department

201 North Ector Drive
Euless, TX 76039

THE CITY OF
EULESS

CITY OF EULESS, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2020

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2020

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INTRODUCTORY SECTION

THE CITY OF
EULESS

March 9, 2021

To the Honorable Mayor,
Members of the City Council, and
Citizens of the City of Euless, Texas

The Finance Department and City Manager's Office are pleased to submit the Comprehensive Annual Financial Report ("CAFR") for the City of Euless, Texas ("City") for the fiscal year ended September 30, 2020. This report complies with State law which requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This report is published to provide the City Council, City staff, citizens, bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City. The report consists of City management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the accuracy, completeness, and reliability of all of the information presented in the report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits derived from them, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Weaver, L.L.P., a firm of licensed, certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report.

This report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, a listing of City Officials, and an organizational chart of the City. The Financial Section includes the independent auditor's report on the basic financial statements, Management's Discussion and Analysis ("MD&A"), basic financial statements, the Notes to the Basic Financial Statements, and combining and individual fund statements and schedules. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement, and should be read in conjunction with, the MD&A. The City of Euless' MD&A can be found immediately following the independent auditor's report. The Statistical Section includes financial and demographic information relevant to readers of the City's financial statements. The statistical data is generally presented on a multi-year basis.

Profile of the City of Euless, Texas

The City of Euless is located in North Central Texas in Northeast Tarrant County approximately 16 miles west of Dallas and 16 miles east of Fort Worth. Euless is readily accessible by State Highway 183 which is a multi-lane expressway linking Dallas to Fort Worth. Other major highways through the City include State Highway 121, State Highway 360, State Highway 10 and Farm-to-Market Road 157. Euless' centralized location provides quick access to both Dallas and Fort Worth metropolitan areas and is adjacent to Dallas-Fort Worth International Airport ("DFW Airport"), one of the world's busiest airports. The City is approximately 16.2 square miles and serves a population of approximately 57,550.

The City of Euless was incorporated February 24, 1953 and is a home rule city operating under a Council/Manager form of government. The City Council is comprised of the mayor and six council members who are elected at large. The Council has the authority to enact local legislation, levy taxes, adopt budgets, determine policies, incur debt, and appoint the City Secretary, City Attorney, Municipal Court Judge, and the City Manager. The City Manager reports directly to the City Council, and is responsible for the daily management of the various City departments. Council members serve three-year staggered terms, with two council members elected each year. The Mayor is elected to serve a three-year term. In addition, several boards and commissions were created to assist the City Council in deciding matters of policy and procedure and meet on various issues throughout the year.

The City of Euless provides a full range of services to its citizens including: police and fire protection; emergency ambulance services; municipal court operations; development and code services; construction and maintenance of streets and highways, parks, and recreational facilities; water service and wastewater collection and treatment; and library operations. The City also operates a top-ranked, 18-hole golf course and conference center, youth athletic complex, and an aquatics center. Internal services of the City account for risk management, equipment replacement, and employee insurance coverage activities on a cost reimbursement basis. Private contractors, through franchise agreements, provide solid waste and recycling collections and disposal services for the City.

Four component units of the City, the Euless Development Corporation, the Euless Crime Control and Prevention District, Tax Increment Reinvestment Zone (TIRZ) #3 – Glade Parks, and Tax Increment Reinvestment Zone (TIRZ) #4 – Midtown, are presented in the financial statements of the City as blended component units. Data for these organizations is recorded in and presented as special revenue funds in the City's financial statements. Additional information on these component units can also be found in Note 1 in the Notes to the Basic Financial Statements.

The annual budget serves as the foundation for the City of Euless' financial planning and control. Per the City Charter, the City Manager provides to the City Council the proposed budget by August 1st each year. The budget is filed with the City Secretary and is open for public inspection. Upon receipt of the budget, the City Council sets a date for a public hearing at which time interested citizens may express their opinions regarding the proposed budget. The Charter requires the Council to adopt the budget by a favorable majority vote at least ten days prior to the beginning of the next fiscal year.

The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Budgetary control has been established at the individual fund level. Financial reports are produced showing budget to actual expenditures by line item and are distributed monthly to City departments for review.

Economic Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Euless operates.

The City of Euless is located in Tarrant County in the heart of the Dallas/Fort Worth (DFW) Metroplex and adjacent to the DFW International Airport. Thus, the economic vitality of the region significantly impacts the economic health of Euless.

DFW Airport reports itself as the fourth largest airport in terms of operations and fifteenth largest in terms of passengers in the world, handling over 75 million passengers in 2019.

According to the North Texas Commission, DFW is the fourth largest region in the US and has experienced tremendous growth during the past decade. With its highly-diversified economy, DFW has a population of over 7.5 million, a Gross Domestic Product of $613.4 billion, a labor force of over 3.9 million, a 2.8% job growth rate, 24 Fortune 500 Firms, and college enrollment of over 367,000. Such an economic environment has helped the region weather economic downturns in key sectors better than many other regions in the nation.

The AllianceTexas development in North Fort Worth is a 26,000-acre master-planned, mixed-use community which is home to more than 525 companies, 62,000 employees, and is anchored by the inland port known as the Alliance Global Logistics Hub. This area offers a variety of commercial real estate options, industrial space, office space, and retail facilities (www.alliancetexas.com, *AllianceTexas Fact Sheet 2020)*.

Taxable value for all residential and commercial property in the City of Euless is estimated at approximately $5.1 billion for tax year 2020, which is a 4.6% increase from the prior year, due to increases in both residential and commercial real estate property values. Sales tax collections increased during FY2019-20 despite COVID-19 projected impacts. Euless continues to look for additional revenue opportunities in order to minimize the tax burden to citizens and strives to cut costs without impacting service.

The City typically receives a significant amount of revenue from a consolidated rental car facility located at DFW Airport. COVID-19 has had a significant impact on the travel industry and this revenue source has declined significantly. The City Council has chosen to continue to use this funding source to build reserves and to cash flow capital projects in lieu of debt issuance as much as possible. This has allowed the City to refrain from becoming overly dependent on a volatile resource while providing for needed improvements for citizens.

The City of Euless has approximately 468.57 acres of undeveloped land outside of DFW Airport. Although much of Glade Parks has developed, some commercial parcels remain available within this development as well as the Founders Parc development. Vacant land is also available at the Riverwalk development along SH 360 and SH 183 along with various infill tracts throughout the City.

The Dallas Cowboys AT&T Stadium and Texas Rangers Globe Life Field and Globe Life Park in Arlington, within minutes of Euless, continue to attract additional tourism to the City by hosting concerts and sporting events, although these have been limited due to the pandemic.

Population with a median age of 35.3 years (U.S. Census Bureau American Fact Finder 2019) has increased from 51,227 to 57,550 in ten years. The City's median household income is $65,921, which compares favorably to $64,034 for the State of Texas (U.S. Census Bureau American Fact Finder 2019). The educational level is 89.5% high school graduate or higher (U.S. Census Bureau American Fact Finder 2019).

Long-Term Financial Planning

The City of Euless has developed a comprehensive capital improvements document. Such strategic planning has allowed the City Council to fund several major infrastructure upgrades, park enhancements, and capital purchases in a systematic manner while considering the full impact to the operating budget and tax requirements. Many of these projects have been completed on a pay-as-you-go basis by utilizing operating revenues, excess reserves, and rental car taxes.

The City Council and citizens of Euless have determined that debt issuance is a viable method of financing major capital projects and equipment purchases. Analysis of potential debt issuance includes the operating impact the repayment thereof will have on citizens, property tax rates, and enterprise fund service fee revenues. Per the City's fiscal policies, long-term debt will not be used for operating purposes and the life of the debt instruments will not exceed the useful life of the projects or equipment financed. Policy also specifies

that debt with an average life of 20 years or less will be issued to reduce net interest cost and maintain future flexibility by paying off debt earlier. The majority of the City's existing long-term debt was used to finance infrastructure needs and traditional government facilities such as streets, utility infrastructure, and development of parks and open spaces.

The City's fiscal policies state current expenditures will be paid with current revenues. Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques. Reserves will be used for emergencies or nonrecurring expenditures, except when balances can be reduced because levels exceed guidelines or legally-required minimums.

Fiscal policies provide for a General Fund reserve equal to between 30 and 60 days of working capital. At no time shall the reserve fall below 8.3% of the General Fund expenditure budget (i.e. 30-day level). Due to the City's immediate reaction to COVID-19, which included drastic cuts, frozen positions and the elimination of some positions, and the receipt of federal CARES Act funding, the current operating reserve is at 165 days of operations which equates to approximately 45% of next year's budgeted expenditures. At the end of the current year, the City was in compliance with this fiscal policy reserve level.

The City's fiscal policies for the Water and Wastewater Fund require the maintenance of a minimum reserve of 45 to 75 days of working capital. The City currently maintains a 125-day reserve. Water and Wastewater revenue bond covenants require the City to maintain reserve amounts sufficient to cover the average annual debt service requirements. This revenue bond reserve is in addition to the working capital required by the City's fiscal policies and is maintained in a separate fund on the general ledger. As of September 30, 2020, the revenue bond reserve totaled $827,464 which meets the required average annual debt service per bond covenants.

Standard & Poor's Ratings Services, a subsidiary of the McGraw-Hill Companies, Inc. rates the City's general obligation debt and sales tax revenue debt at AA and the water and wastewater revenue debt at AA+. Moody's Investor Service, Inc. rates the general obligation debt and water and wastewater revenue debt at Aa2. Additional information about the rating agencies or the significance of the ratings provided may be obtained from each agency's web site.

Major Initiatives

The City has partnered with Tarrant County, surrounding cities, local churches, and businesses to renovate qualifying homes in the community through the Tarrant County Home Program and the Community Powered Revitalization Program ("CPR"). Through these partnerships, the cities of Hurst, Euless, and Bedford have joined forces to assist qualifying residents in all three communities.

The City's Capital Improvements Program and ADA Transition Plan address facility needs of the City. The Parks Master Plan, which focuses on improving the quality of life for the community, includes additional hike/bike trails, park amenities and upgrades. The City has completed several projects in the past year and has many others underway that were included in these plans. The City believes it is critical that the street, water, wastewater,

and drainage systems are properly maintained and systematically upgraded. While these are not glamorous, these represent the most basic governmental functions. Deferral of these projects creates a financial burden for future generations.

Projects currently underway include water well replacement projects at the Far North Well and Fuller Well and wastewater line replacement of pipe between North Main Street and Salem Drive from 200 feet north of Town Creek Drive to State Highway 183, between Crane Drive and Donley Drive from Harwood Road to Aransas Drive, between Ector Drive and Fayette Drive from Lamar Drive to 160 feet east of Ector Drive, and along El Camino Real between Sotogrande Boulevard and Woodvine Drive.

Bids for a portion of the FY2019 Street Improvement Project are under review. This project includes Harwood Road between N. Main and State Highway 157, S. Pipeline Road from Royal Parkway to Highland Drive, Highland Drive, W. Pipeline from Raider Drive, to the western city limits and an extension of Mills Drive from State Highway 10 to Carr Park. The construction work will be performed in two phases. The first phase will include Harwood Road, S. Pipeline Road and Highland Drive. Construction should begin in early 2021. The second phase is scheduled for bid in the summer of 2021.

Over the last several years, the City has worked with developers on some major, mixed-use centers. Glade Parks, located along the southwest corner of Glade Road and Highway 121, provides approximately 1.2 million square feet of retail/office and includes a unique residential component. In an effort to promote development in this area, the City created a Tax Increment Reinvestment Zone ("TIRZ") for the Glade Parks development and approved the related project and financing plan. This plan authorized the City to undertake certain public improvements associated with the Glade Parks development. Additionally, the City created the Glade Parks Public Improvement District ("PID") which is funded from assessments within the district. Over the last several fiscal years, numerous businesses opened in this development creating increased property values and retail sales. The single-family residential component continues to add value to the property tax base as well.

The RiverWalk! development includes approximately 200 acres located at the northwest corner of Airport Freeway and State Highway 360 extending north to Harwood Road. Lennar Homes has developed five (5) subdivisions within the RiverWalk! mixed use project.

The City also approved a 56-acre mixed-use development called Founders Parc, previously known as Midtown, located on the south side of State Highway 183, east of Farm-to-Market Road 157 and north of State Highway 10. This development of 259 new single-family homes, 285 urban lofts, and over 57,000 square feet of retail and commercial space is underway. Both a TIRZ and a PID have been created by the City to support debt for public improvements needed for the area including roadways, water distribution system, sanitary sewer and storm sewer collections systems, hardscaping, and amenities.

There are currently four active residential subdivisions in the City.

Awards and Acknowledgements

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Euless for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended September 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has been awarded a Certificate of Achievement for the last 33 consecutive years. We believe that the current CAFR meets the Certificate of Achievement program requirements and are submitting it to GFOA for review.

In addition, the City of Euless received the GFOA's Distinguished Budget Presentation Award for its annual budget document. The City of Euless has received the Distinguished Budget Award for the last 29 years. In order to qualify for the award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Appreciation is expressed to City employees throughout the organization, especially those who were instrumental in the successful completion of this report.

We would like to thank the Mayor and members of the City Council for their support in planning and conducting the financial operations of the City in a responsible, professional, and progressive manner. As always, the City of Euless staff welcomes and appreciates your comments.

Respectfully Submitted,

Loretta Getchell
City Manager

Janina Jewell
Director of Finance

CITY OF EULESS

FISCAL YEAR 2019-2020

Council Members

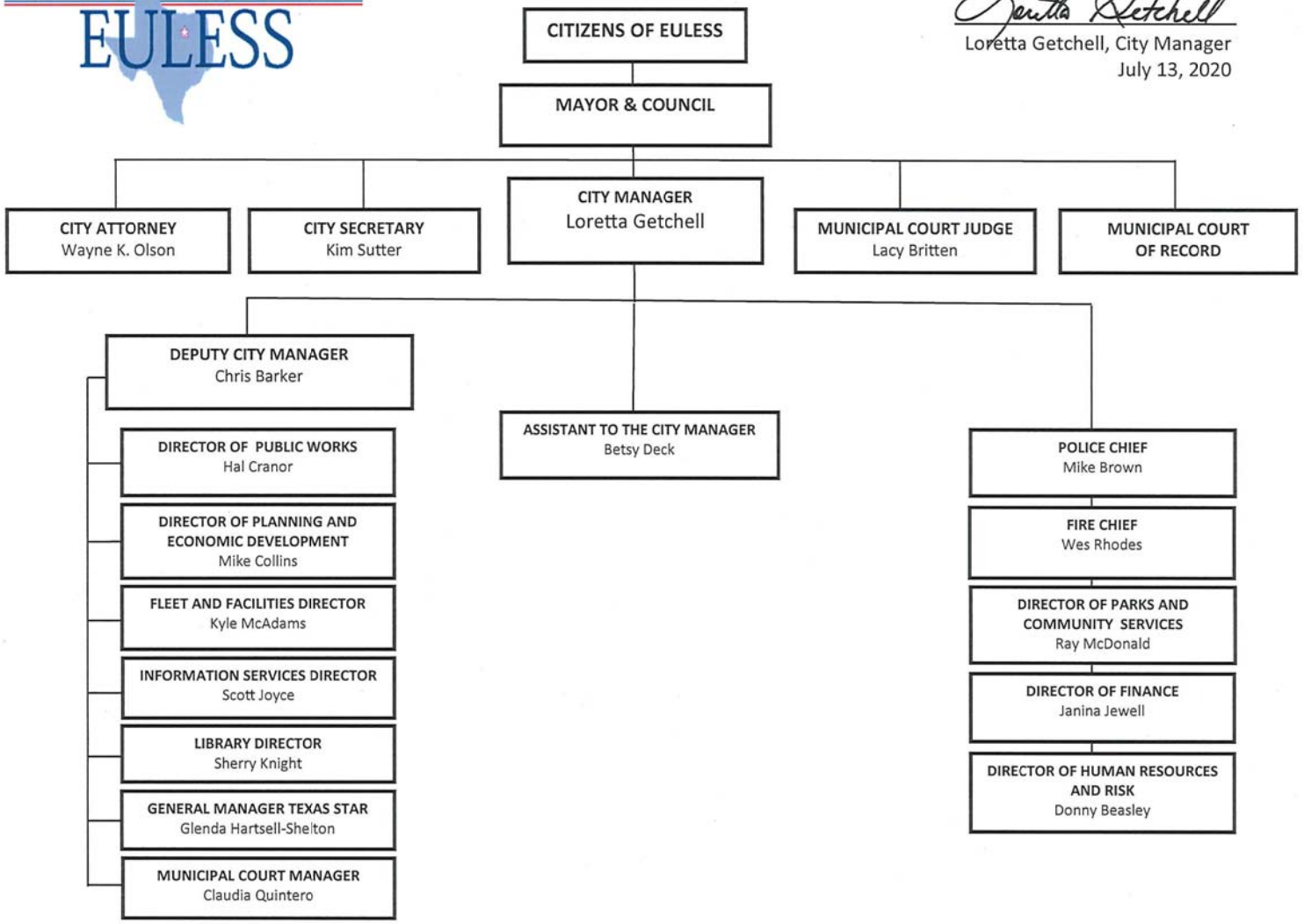
LINDA MARTIN, MAYOR
Tim Stinneford, Place One
Jeremy Tompkins, Place Two
Eddie Price, Place Three
Perry Bynum, Place Four
Harry Zimmer, Place Five
Salman Bhojani, Mayor Pro Tem, Place Six

Loretta Getchell, City Manager
Chris Barker, Deputy City Manager

ORGANIZATIONAL CHART

THE CITY OF EULESS

Loretta Getchell, City Manager
July 13, 2020



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Euless
Texas

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

THE CITY OF
EULESS

Independent Auditor's Report

To the Honorable Mayor,
City Council and City Manager
City of Euless, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Euless, Texas (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Euless, Texas, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The Honorable Mayor,
City Council and City Manager

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 5, 2021

THE CITY OF
EULESS

CITY OF EULESS, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2020
(Unaudited)

Management of the City of Euless offers the readers of the City's financial statements this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended September 30, 2020. In the broadest context, the financial well-being of a government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically so that the City's tax base, service levels, City assets, and the City's desirability will be maintained not just for the current year but well into the future.

Financial reporting is limited in its ability to provide the "big picture" but rather focuses on financial position and changes in financial position. In other words, are revenues and/or expenditures higher or lower than the previous year? Has net position (containing both short-term and long-term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities") of the government been maintained? Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal (pages i-viii of this report) and the statistical section (pages 121-139 of this report) as well as information in the annual budget and the capital improvement plan along with other community information found on the City's website at www.eulesstx.gov. It should be noted that the Independent Auditor's Report describes the auditors' association with the various sections of this report and that all of the additional information from the website and other City sources are unaudited.

Financial Highlights

- The assets and deferred outflows of resources of the City of Euless exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $249,244,997 (net position). This number must be viewed in the context that the vast majority of the City's net position of $170,573,427 (68%) is net investment in capital assets and that most capital assets in government do not directly generate revenue nor can they be sold to generate liquid capital. The net position restricted for specific purposes totaled $38,795,780 (16%). The remaining $39,875,790 (16%) is unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- Governmental activities realized an increase in total net position of $15,295,579 and business-type activities realized an increase in total net position of $2,102,186 bringing the total increase in net position for the City to $17,397,765.
- At the close of the current fiscal year, the City of Euless' governmental funds reported combined ending fund balances of $66,744,781 which represents an increase of $4,284,150. Within this total, $3,828,633 is restricted for debt service; $22,369,460 is restricted by bond covenant for capital projects; $123,748 and $257,636 are restricted for court technology and juvenile case management, respectively; and another $2,214,281 is restricted for capital projects by developer agreements. Amounts restricted for cable PEG fees and historical preservation total $608,222 and $1,245, respectively. Nonspendable fund balance of $183,848 represents fund balance amounts for

inventories and prepaid items. Fund balances of $17,366,982 represent assigned fund balance in the general, special revenue, and capital projects funds. The unassigned fund balance in the General Fund of $19,790,726 can be used for any lawful purpose. The General Fund unassigned balance represents 50% of fiscal year 2020 total fund expenditures.

- The City's total capital assets (net of accumulated depreciation) increased by $18,130,113 which is attributed to completion of capital improvement projects and other asset additions including construction in progress exceeding current year depreciation expense and asset retirements.
- The City's debt payable increased by $6.4 million or 7.7% due primarily to the issuance of certificates of obligation, sales tax revenue bonds, and tax notes less scheduled principal payments and annual amortization of premiums and discounts on debt issuances.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City of Euless' basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Euless' finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Euless' assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Euless is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash receipts and cash outlays in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general and administration, public safety, highways and streets, development services, and culture and recreation. The business-type activities of the City include water and wastewater system, drainage system, golf course, and other recreational activities.

The government-wide financial statements include not only the City of Euless (the primary government), but also the Euless Development Corporation, the Crime Control and Prevention District, the Tax Increment Reinvestment Zone #3 – Glade Parks, and Tax Increment Reinvestment Zone #4 – Midtown which are legally separate entities that are financially accountable to the City. A blended presentation has been used to report the financial information of these component units.

The government-wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements. A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Euless, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements with the exclusion of internal service fund activity. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, Car Rental Tax, and Street CIP funds, all of which are considered to be major funds. Data from the other nineteen governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General and Car Rental Tax major governmental funds. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with the adopted budgets.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater, drainage utility, golf operations, and other recreation enterprises. Internal service funds are an accounting device used to accumulate resources and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment replacement, risk management, and health insurance services. Because these services predominately benefit governmental rather than business-type functions, a portion of the activities in these funds is included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water and Wastewater, Drainage Utility, Golf, and Other Recreation enterprises all of which are considered to be major funds of the City. The internal service funds are combined into a single, aggregate

presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 24-35 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 36 and 37 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-79 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligations to provide pension and post-employment healthcare benefits to its employees. Additionally, schedules comparing budgetary figures and actual results of the General and Car Rental Tax funds are also located in this section of the report. Required supplementary information can be found on pages 81-89 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions, OPEB, and budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 91-117 of this report.

Government-Wide Financial Statement Analysis

As noted earlier, net position and especially net position by category may serve over time as a useful indicator of a government's financial position. In the case of the City of Euless, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $249,244,997 as of September 30, 2020.

The largest portion of the City's net position (68%) reflects its investment in capital assets (i.e., land, buildings, equipment, improvements, construction in progress, and infrastructure) net of accumulated depreciation, less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending and with the exception of business-type assets, do not generate direct revenue for the City. They do, however, represent an obligation on the part of the City to maintain these assets into the future.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (16%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of

$39,875,790 (16%) may be used to meet the City's ongoing obligations to citizens, creditors, and employees.

Net Position

Amounts shown in 000's	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	$ 94,017	$ 87,082	$ 39,129	$ 43,883	$ 133,146	$ 130,965
Capital assets	170,321	157,892	84,545	78,845	254,866	236,737
Total assets	264,338	244,974	123,674	122,728	388,012	367,702
Total deferred outflows	4,444	12,575	1,200	2,819	5,644	15,394
Long-term liabilities	92,497	97,467	27,435	31,641	119,932	129,108
Other liabilities	11,350	15,216	6,369	5,867	17,719	21,083
Total liabilities	103,847	112,683	33,804	37,508	137,651	150,191
Total deferred inflows	5,665	892	1,094	166	6,759	1,058
Net position:						
Net investment in capital assets	104,019	99,744	66,555	65,622	170,574	165,366
Restricted	30,103	26,158	8,693	15,121	38,796	41,279
Unrestricted	25,148	18,072	14,728	7,130	39,876	25,202
Total net position	$ 159,270	$ 143,974	$ 89,976	$ 87,873	$ 249,246	$ 231,847

As of September 30, 2020, the City reports positive balances in all three categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities. The same situation was true for fiscal year 2019.

The City's unrestricted net position increased by $14,673,842 in fiscal year 2020 as compared to the unrestricted net position for the prior year. Restricted net position realized a decrease of $2,483,784 and the amount invested in capital assets, net of related debt increased by $5,207,707. The increase in total net position of more than $17 million results primarily from current year operating results flowing to the net investment in capital assets and unrestricted categories of net position. The decrease in the restricted portion of net position primarily results from current year capital project spending resulting in a decrease in the restriction for capital project amount and expenditures related to PEG fees that also reduced the amount restricted. The details of the results of current year operations are found in the table shown on the following page.

Changes in Net Position

Amounts shown in 000's	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program revenues:						
Charges for services	$ 6,140	$ 6,917	$ 32,016	$ 33,492	$ 38,156	$ 40,409
Operating grants and contributions	3,595	622	-	-	3,595	622
Capital grants and contributions	2,191	1,304	2,678	3,059	4,869	4,363
General revenues:						
Property taxes	22,837	20,429	-	-	22,837	20,429
Sales taxes	22,088	21,420	-	-	22,088	21,420
Car rental taxes	10,043	14,797	-	-	10,043	14,797
Mixed beverage taxes	146	138	-	-	146	138
Occupancy taxes	925	842	-	-	925	842
Gross receipts taxes	4,239	4,549	-	-	4,239	4,549
Investment income	1,055	1,883	369	747	1,424	2,630
Rents and royalties	1,462	1,348	-	-	1,462	1,348
Gain (loss) on asset disposal	-	-	(85)	10	(85)	10
Miscellaneous	971	931	-	-	971	931
Total revenues	75,692	75,180	34,978	37,308	110,670	112,488
EXPENSES						
Culture and recreation	5,539	7,330	-	-	5,539	7,330
Development services	1,063	1,057	-	-	1,063	1,057
General government	20,828	21,113	-	-	20,828	21,113
Highways and streets	3,602	7,193	-	-	3,602	7,193
Public safety	27,355	30,353	-	-	27,355	30,353
Interest and fiscal charges	2,561	2,011	-	-	2,561	2,011
Water and wastewater	-	-	25,333	23,493	25,333	23,493
Drainage utility	-	-	1,502	1,563	1,502	1,563
Golf course	-	-	3,997	4,732	3,997	4,732
Recreation enterprises	-	-	1,491	2,271	1,491	2,271
Total expenses	60,948	69,057	32,323	32,059	93,271	101,116
Increase (decrease) in net position before transfers	14,744	6,123	2,655	5,249	17,399	11,372
Transfers	552	821	(552)	(821)	-	-
Increase (decrease) in net position	15,296	6,944	2,103	4,428	17,399	11,372
Net position, beginning	143,974	137,030	87,873	83,445	231,847	220,475
Net position ending	$ 159,270	$ 143,974	$ 89,976	$ 87,873	$ 249,246	$ 231,847

- **Governmental activities.** Governmental activities increased the City's net position by $15,295,579 thereby accounting for most of the growth (88%) in total net position. Many revenue categories, including property taxes, sales taxes, occupancy taxes, and operating and capital grants and contributions, exceeded prior year receipts. Other revenue categories fell short of prior year collections including charges for services, car rental taxes, gross receipts taxes, and investment income. The COVID 19 pandemic is the primary cause of the decline in these revenue streams. Sound fiscal management and close monitoring of revenues and expenses allowed the City to realize an increase in governmental activities net position before transfers of $14,743,605.

Total revenue for the governmental activities (excluding transfers) increased from the previous year by $510,465. General revenue, which is primarily comprised of property taxes, sales taxes, and car rental taxes, realized a net decrease close to $2.6 million. Property tax revenue increased due to an overall increase in taxable values of 12% over the prior year values. Despite the pandemic, shelter in place orders, and social distancing, sales tax collections increased as a result of new business openings, operational changes such as curbside service in retail sales and the restaurant industry, and the stabilization of several large taxpayers. As a result of coronavirus concerns, car rental taxes did not fare as well as sales taxes due to travel restrictions and the public's hesitancy to fly once the restrictions were lifted. A decline of more than $4.75 million was recognized in fiscal year 2020. However, Euless shares this revenue source with the cities of Dallas and Fort Worth; and, as a result, the net decline to Euless was roughly one third of that amount. Total governmental program revenues, which consist primarily of charges for services, grants, and contributions, net to an increase of nearly $3.1 million. Charges for services accounts for a decrease of approximately $778,000 of the overall increase. The largest charges for services decrease was noted in the development sector. As the pandemic hit, shelter in place orders shut down local construction sites and halted new starts resulting in revenue shortfalls. Culture and recreation revenues took a large hit from the closure of the recreation and senior centers for more than half of the fiscal year along with the cancellation of all scheduled classes. Additionally, the water park remained closed for the entire season. The Midtown PID assessment accounts for the decrease in highways and streets program revenues of $39,000. Municipal court fines declined by more than $381,000 as compared to the prior year as most of the City's public safety personnel and resources were allocated to activities related to the pandemic response. A flow-through of federal CARES Act funding from Tarrant County of more than $3 million accounts for the increase in public safety operating grants and contributions. Developer contributions of infrastructure and other contributed capital are responsible for the increase of $774,000 in capital grants and contributions. Intergovernmental revenues from other local cities for capital project cost sharing accounts for the remainder of the increase in capital contributions.

Total expenses of governmental activities decreased by $8.1 million from FY2019 to FY2020. The raise package for employees included an increase of 2.5% which accounts for an increase in expenses across all functions. Pension-related entries decreased expenses $175,488 for the current year primarily due to the recording of changes in and amortization of deferred outflows and deferred inflows combined with the decrease in the net pension liability. In the prior year, these entries increased salary-related expenses of governmental activities by $2.4 million. OPEB-related expenses which includes the change in the net OPEB liability, related deferred inflows and deferred outflows, as well as the amortization of the deferrals decreased salary-related expenses by approximately $85,000 compared to a decrease in expenses of $53,000 in the prior year. Internal service fund revenues plus transfers-in increased by $5.1 million as participating funds provided funding for accumulated to-date amounts for the replacement of vital operating equipment. The allocation of internal service fund activity decreased expenses by $3.9 million. The allocation to general and administrative expenses increased by $442,000 while public safety realized a decrease of $1.8 million and culture and recreation decreased by $2.2 million. Furthermore, fluctuations in depreciation expense as a result of the acquisition and disposal of capital assets affect the various expense categories. General and administrative and public safety realized expense increases of $91,000 and $32,000, respectively, due to depreciation charges. More than half of the decrease in public safety expenses results from the pension and OPEB-related entries. Public works expenses decreased primarily as a result of the City's participation in the final phase of Glade Parks in the prior year; and there was no similar expense in the current year. The net position of general governmental operations accounts for 64% of total net position.

- **Business-type activities.** Business-type activities increased the City's net position by $2,102,186. The change in net position before transfers is $2,654,160. Charges for services program revenues for the business-type activities decreased from the previous year by $1.5 million due primarily to decreased golf and other recreation revenues. These facilities closed or scaled back operations for much of the fiscal year due to the pandemic, capacity limitations, and shelter in place orders. Capital grants and contributions decreased by $380,000 due to decreased developer contributions combined with a reduction in impact fee collections.

  Overall, total business-type expenses realized an increase for the year of $265,000 combined. Water purchases and wastewater treatment recognized increases in both the volume purchased or treated and the rates the suppliers charged the City for service. The total increase in these costs were nearly $2.6 million over the prior year. The closure or scaled back operations in golf and other enterprises saved $735,000 and $779,000, respectively, as compared to the prior year expense levels. Pension entries decreased business-type expenses by approximately $44,000 for the year compared to an increase of $407,000 in the prior year. OPEB-related entries decreased expenses by $17,000 last year, and decreased expenses by $18,000 this year. Net position for business-type activities represents 36% of total net position.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Euless' governmental funds reported combined ending fund balances of $66,744,781, which represents an increase of $4,284,150 in comparison with prior year. Approximately 30% or $19.8 million constitutes unassigned fund balance in the general fund that is available for spending at the City's discretion. Another $183,848 in non-spendable fund balance represents amounts invested in inventories and prepayments. Another portion is restricted to indicate that it is not available for new spending because it has already been committed 1) to pay debt service ($3,828,633); 2) to pay for specific capital improvements per developer agreements ($2,214,281); 3) restricted by bond covenant for specific capital projects ($22,369,460); and 4) for a variety of other restricted purposes ($990,851). Assigned fund balance includes funds that management intends to use for a specific purpose as well as any residual balances of governmental funds other than the general fund. Assigned fund balance totals $17,366,982 and includes assigned fund balance in the general fund of $145,057 and $17,221,925 which represents residual balances in other governmental funds. See discussion under Fund Balance Classifications in Note 1 of the Notes to Basic Financial Statements for additional details on fund balance.

In the General Fund, the City budgeted for a decrease in fund balance (planned reduction) of $3,936,071. Due to a positive budget variance in overall revenues and expenditures, the General Fund ended the year with an increase to fund balance of $3,244,891. This figure represents a positive budget variance of $7,180,962 resulting primarily from licenses and permit revenues exceeding budget parameters and expenditure savings of $6.6 million, before transfers.

Several General Fund revenue categories realized increases over the prior year including property tax collections, general sales tax receipts, and rental and miscellaneous income. Despite business closures,

shelter in place orders, social distancing, and capacity limitations resulting from the pandemic, sales tax revenues increased over the prior year by $415,000. The increase is primarily due to new business openings prior to the arrival of the pandemic, updated operating models in retail sales and the restaurant industry including curbside service, as well as the stabilization of some larger sales taxpayers. Taxable property values increased by 12% over the prior year values. The resulting increase in property tax collections of close to $2 million helped to offset losses in several other revenue categories. These revenue categories include gross receipt taxes, fines and fees, licenses and permits, investment income, and swimming pool revenues. Telephone and cable gross receipt taxes declined as providers of both telephone and telecommunications services were required to remit taxes on only one type of service per changes in State law. As mentioned previously in the government-wide analysis, building permits declined as the pandemic hit and local construction sites were closed and new construction was halted. Swimming pool and other recreation fees also declined due to the arrival of the coronavirus. The recreation center and senior center were closed, classes were cancelled, and the water park didn't open for the entire season. Market rates as well as investment portfolio yields continued to decline throughout the fiscal year even as the City's average portfolio balance increased over the prior year. A resulting decline in investment income of more than $178,000 was realized. Total revenues surpassed prior year levels by nearly $1.1 million.

Expenditures increased $363,000, or .9% over the prior year, and ended the fiscal year under budget parameters by more than $6.6 million. Public safety salary and benefit expenditures were reduced by nearly $3.1 million as qualified costs incurred for the City's coronavirus response were moved to the grant fund. The funding for these expenditures was provided via a flow-through grant from Tarrant County of their federal CARES Act allocation. Public safety salary and benefit costs increased by almost $429,000 due to the employee raises, employee health and dental coverage elections, and retirement contributions. Many of the City's benefits are salary-based and increase automatically when raises become effective. Non-departmental expenditures, which are classified in the general and administrative expenditure category, increased by $3.2 million primarily due to the fund's one-time contribution to the equipment replacement fund for the accumulated to-date replacement costs of critical operating equipment. Rebate expenditures, also recorded in non-departmental, increased by almost $132,000 due to increases in sales tax collections and other revenues upon which the rebates are based. Culture and recreation realized an overall decrease in expenditures primarily as a result of the closure of the recreation center, the cancellation of classes, and the closure of the senior center. Expenditures in highways and streets declined by nearly $271,000 primarily as a result of placing capital expenditures for streets, sidewalks and curbs, traffic signals, and lighting on hold due to uncertainties in the revenue stream.

The Debt Service fund balance increased $260,920 which is $307,982 better than the expected decrease of $47,062. The positive variance results primarily from property tax collections surpassing projections combined with the premium collected on the issuance of debt.

The Car Rental Tax fund balance was originally anticipated to decrease $604,272 and was revised to decrease $1,154,272, and ended the year with a decrease of $2,171,924 resulting primarily in a significant decline of $4.7 million in car rental revenues due to travel restrictions imposed during the first months of the pandemic and the public's reluctance to fly when these travel restrictions were lifted. Investment income was approximately $49,000 less than anticipated levels due to falling market rates. Expenditures declined due to the reduction in the amount of revenue available to share with the cities of Dallas and Fort Worth. Capital expenditures were held to minimal levels due to the revenue shortfall. Revisions to the budget resulted in additional transfers out of $150,000 to car rental CIP and $400,000 to the golf course to cover project expenditures and revenue shortfalls, respectively.

The Streets CIP fund balance decreased by $6.1 million due to project expenditures incurred during the current fiscal year. The FY2018 street project for the reconstruction of Fuller Wiser Road and Bear Creek Parkway incurred current fiscal year expenditures of almost $5 million. Current expenditures for the FY2019 street project for the reconstruction of Pipeline Road, Highland Drive, Harwood Road, and a new section of Mills Drive totaled almost $1.3 million. The debt proceeds used to fund these projects were received in prior fiscal years. Thus, expenditures vastly outpaced revenues and other sources for the current year.

The non-major governmental funds realized a combined increase in fund balance of $9,060,159; special revenue funds contributed $874,294 to this increase, while the capital projects funds added $8,185,865 to the balance. The general CIP fund realized a $7.4 million increase in fund balance due to the issuance of certificates of obligation to fund the fire station project. The half-penny sales tax CIP fund realized an increase of $1.9 million due to the issuance of sales tax revenue bonds to fund the next phase of the Texas Star Sports Complex. Expenditures for the year were less than the revenues and other sources collected for the year. The half-penny sales tax (EDC) fund increased fund balance by nearly $483,000 due in large part to increased sales tax collections and expenditure savings realized from keeping the water park closed for the season due to coronavirus. The fund also transferred a little over $1 million in one-time user fees to the equipment replacement fund for the accumulated to-date replacement costs of critical operating equipment and park infrastructure. The EDC Board and City Council made the decision to forego additional funding for the public art project and held current year expenditures thereby eliminating potential costs of more than $400,000. The TIRZ #3 Glade Parks fund increased fund balance by $641,000 primarily due to the collection of property taxes from participating entities outpacing the debt service expenditures. The combined net effect of the changes in all non-major governmental fund balances results in an increase of approximately $9 million.

Enterprise funds. The City's enterprise fund statements provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. Most of the City's enterprise funds are heavily dependent upon local weather conditions. During the year, rainfall exceeded that of a "normal" year by more than nine inches; but fell short of prior year levels by almost three inches. The Texas Star Sports Complex (included in other recreation enterprises) closed in March for upcoming renovations. The closure of the recreation center and the cancellation of classes also had a negative impact on the other recreation enterprises which ended the year with a decline in net position of $1.2 million. The Texas Star Golf Course closed the entire facility in mid-March due to the pandemic. The restaurant operated a curb side only model until it reopened with limited seating capacity of 25% in mid-April. Capacity limitations varied from month to month, but remained in effect through the end of the fiscal year negatively impacting restaurant operations. The golf course reopened in May, but social distancing measures in effect limited play. The conference facility was closed mid-March through June, reopening with 25% capacity. The cancellation of numerous events booked in the conference center added to the revenue shortfall. A few smaller events were booked in May and June, but the facility could not accommodate larger crowds due to social distancing requirements. Conference revenues improved for the last quarter of the fiscal year, but still fell short of expectations. The influx of cash from the car rental fund of $400,000 allowed the course to end the year with an increase in net position of $52,000.

The Water and Wastewater fund realized a decrease in operating income resulting primarily from increased operating costs outpacing overall revenue increases. Water sales and wastewater treatment realized increases due to the increased volume sold or treated as well as increases in volume charges and monthly base rates. Service fees and miscellaneous revenues declined with the arrival of the pandemic

and the economic hardship following in its wake. In an effort to assist customers, the City ceased charging penalties on utility accounts and reconnection fees fell as customers were allowed a bit more leeway in the payment of delinquent accounts resulting in fewer disconnects for nonpayment. Fewer disconnects results in fewer reconnections thereby reducing fees. Inspection fees declined as construction sites shut down and new construction was halted. Water purchases increased by $1.7 million due to an increase in supplier rates and increased volume due primarily to the closure of two of the City water wells for renovation. Wastewater treatment costs increased by $761,000 over the prior year figures due to increased volume and rates. Investment income decreased by $309,000 due to falling market rates throughout most of the fiscal year. The overall change in net position in the Water and Wastewater fund was an increase of approximately $2.5 million.

The decrease in net position of the Drainage Utility fund results primarily from depreciation on drainage infrastructure and capital assets. The combined net effect of these changes in enterprise fund net position results in an increase of $942,751.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, totaled $254,866,632 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. The net increase in the City's investment in capital assets for the current fiscal year was $18,130,113 or about 7.7%.

Major capital asset activity that occurred during the current fiscal year included the following:

- Capital asset contributions were comprised of $401,000 in Community Development Block Grant (CDBG) expenditures for Midway Park Phase 2 wastewater line replacement phase 1 and developer asset dedications totaling $4.3 million in street infrastructure, land, water and wastewater facilities, and drainage structures.
- Capital asset additions for governmental activities include, but are not limited to, equipment for parks and recreation, a dump truck for public works, natatorium flooring replacement, Wello station kiosks, and a variety of public safety equipment.
- Construction-in-progress related to general government activity of $30,769,761 primarily consists of Midtown infrastructure ($18 million), Library Remodel ($8 million), FY2019 Street Reconstruction ($1.3 million), FY2020 Street Improvements ($943,000) and TSSC Phase VII improvements ($1.7 million).
- Phase III of the Reclaimed Water Line was completed at a total cost of $4.3 million. Cedar Hill Estates and Oakwood Terrace Phase III wastewater line replacements were completed at a cost of $251,000 and $249,000 respectively.
- Capital asset additions for the business-type activities include, but are not limited to, purchase of an ice machine, golf course grounds equipment, beverage carts, an air compressor, and new outfield fencing at the TSSC.
- Construction-in-progress related to business-type operations of $7,361,778 primarily consists of the Well Replacement project.

Capital Assets (Net of Accumulated Depreciation)

Amounts shown in 000s	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$ 35,207	$ 33,439	$ 3,619	$ 3,619	$ 38,826	$ 37,058
Buildings	32,069	34,012	1,427	1,551	33,496	35,563
Other improvements	9,001	8,613	9,245	9,891	18,246	18,504
M&E	10,628	9,532	1,684	1,984	12,312	11,516
Infrastructure	52,646	46,821	61,208	56,593	113,854	103,414
Construction in Progress	30,770	25,475	7,362	5,207	38,132	30,682
Total	$ 170,321	$ 157,892	$ 84,545	$ 78,845	$ 254,866	$ 236,737

Additional information on the City's capital assets can be found in Note 3 on pages 55-56 of this report.

Long-term debt. At fiscal year-end, the City's outstanding debt totaled $86,238,557 net of unamortized losses on prior refundings. Of this amount, $62,137,786 comprises debt backed by the full faith and credit of the government, where $7,122,406 is the amount of self-supported debt for Texas Star Golf Course and Stars Center. The remainder of the City's debt, $24,100,771, represents bonds secured solely by specific revenue sources (i.e. revenue bonds).

Outstanding Debt

Amounts shown in 000s	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
GO Bonds	$ 6,040	$ 8,805	$ 3,805	$ 4,295	$ 9,845	$ 13,100
COs	51,710	46,200	-	-	51,710	46,200
GO/CO deferred loss	(203)	(310)	(325)	(371)	(528)	(681)
Tax notes	1,110	-	-	-	1,110	-
Revenue bonds	5,450	1,565	18,725	19,905	24,175	21,470
Revenue deferred loss	-	-	(74)	(93)	(74)	(93)
Totals	$ 64,107	$ 56,260	$ 22,131	$ 23,736	$ 86,238	$ 79,996

In fiscal year 2020, the City issued $7,115,000 in new certificates of obligation, $1,110,000 in tax notes, and $4,120,000 in sales tax revenue bonds. No new debt was issued for the City's enterprise operations during the year. The City's total debt increased $6,359,965 (exclusive of deferred losses) or 7.7% during fiscal year 2020 which is attributed to the addition of the new debt less scheduled annual principal payments and annual amortization of premiums and discounts on debt issues.

Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. rates the City's general obligation debt and revenue debt at AA and the water and wastewater revenue debt at AA+. Moody's Investor Service, Inc. rates the general obligation debt and the water and wastewater revenue debt at Aa2 and the sales tax revenue debt at Aa2. Additional information on the City's long-term debt can be found in Note 4 on pages 57-63.

Economic Factors and Next Year's Budgets and Rates

In the FY2020-21 budget, General Fund revenues and transfers in are budgeted to decrease by 5% from the FY2019-20 original budget. Property taxes account for 43% of budgeted revenues and sales taxes comprise approximately 29% of budgeted revenues. Certified assessed valuations as of July 25, 2020 increased 4.6% from the preceding year.

In the FY2020-21 budget, sales tax receipts are projected to show an increase from FY2019-20 estimated collections. While sales tax collections for the current exceeded the prior year, they fell slightly short of budgetary parameters primarily due to COVID 19 shelter in place orders, state-mandated business closures, business capacity limitations upon reopening, and social distancing. As a result, estimates for next year include a modest increase in collections. The car rental tax receipts are anticipated to be well below prior year estimated collections due mainly to the pandemic that adversely affected the travel industry.

Baseline budgeted expenditures in the General Fund are projected to decrease approximately 5% from the FY2019-20 original budget. Expenditure cuts were implemented to offset the revenue losses resulting from the effects of the pandemic. The City elected to use excess reserves to fund capital needs. The property tax rate remained at .4625¢ per $100 of assessed valuation for FY2020-21.

For the Water and Wastewater Fund, the FY2020-21 budget includes the continuation of the tiered rate structure for residential and irrigation water volume billing. Under the tiered structure, customers pay a graduated volume rate based on varying levels of monthly water consumption. Residential volume rates range from $4.21 to $6.84 per thousand gallons. A wastewater volume charge of $4.34 per thousand gallons applies to all customer classes. Residential wastewater volume charges are capped at a maximum of 12,000 gallons per month. The City maintained the annual funding for pay-as-you-go capital expenses in the Water and Wastewater Fund of $1,075,000. Funding for El Camino Real and State Highway 10 at Main Street wastewater line replacements is included in next year's budget. Additionally, funding is provided for replacement of the water lines along Dickey Drive. CDBG funding for Phases I and II of Del Paso Street wastewater line replacements is also included.

The Texas Star Golf Course and Conference Centre is a vibrant part of the Euless community. This secluded facility, located in the midst of the Dallas/Fort Worth Metroplex, is well-known for world class golf and a challenging course that has been recognized as a premier municipal facility by leading golf publications, including *Golf* Digest and *Golfweek*. Additionally, Raven's Grille and the Conference Centre continue to receive rave reviews. The Conference Centre has 7,000 square feet of divisible space and hosts business conferences, weddings, concerts, and other events. Proposed revenues of $4,629,475 and proposed operating expenses of $4,606,455 comprise the FY2020-21 operating budget.

Request for Information

The financial report is designed to provide citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need additional information, contact the Finance Department, Attn: Janina Jewell, Director of Finance, at 201 North Ector Drive, Euless, Texas 76039, call (817) 685-1626, or e-mail jjewell@eulesstx.gov.

CITY OF EULESS, TEXAS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Deposits and investments	$ 67,038,543	$ 22,399,962	$ 89,438,505
Receivables, net of allowances	7,625,754	3,892,936	11,518,690
Internal balances	(3,901,340)	3,901,340	-
Inventories, at cost	11,016	225,685	236,701
Prepaid items	172,832	15,828	188,660
Restricted assets			
Deposits and investments	23,069,460	8,692,555	31,762,015
Capital assets			
Land and construction in progress	65,976,846	10,980,323	76,957,169
Other capital assets, net of accumulated depreciation	104,344,560	73,564,903	177,909,463
Total assets	264,337,671	123,673,532	388,011,203
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	3,400,225	639,981	4,040,206
Deferred outflows related to OPEB	841,760	161,595	1,003,355
Deferred charges on refunding	202,541	398,902	601,443
Total deferred outflows of resources	4,444,526	1,200,478	5,645,004
LIABILITIES			
Accounts payable	9,864,547	3,938,840	13,803,387
Accrued liabilities	1,248,764	128,262	1,377,026
Accrued interest payable	236,072	91,758	327,830
Unearned revenue	-	86,963	86,963
Money held in escrow	-	2,123,205	2,123,205
Noncurrent liabilities			
Due within one year	5,010,796	1,510,405	6,521,201
Due in more than one year	87,486,930	25,924,797	113,411,727
Total liabilities	103,847,109	33,804,230	137,651,339
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	5,665,475	1,094,396	6,759,871
Total deferred inflows of resources	5,665,475	1,094,396	6,759,871
NET POSITION			
Net investment in capital assets	104,018,729	66,554,698	170,573,427
Restricted for			
Debt service	3,828,633	1,425,701	5,254,334
Capital projects	23,069,460	4,256,167	27,325,627
Impact fees	-	3,010,687	3,010,687
Developer agreements	2,214,281	-	2,214,281
Court technology	123,748	-	123,748
Juvenile cases	257,636	-	257,636
Cable PEG fees	608,222	-	608,222
Historical preservation	1,245	-	1,245
Unrestricted	25,147,659	14,728,131	39,875,790
Total net position	$ 159,269,613	$ 89,975,384	$ 249,244,997

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary government							
Governmental activities							
Culture and recreation	$ 5,538,905	$ 10,124	$ 134	$ -	$ (5,528,647)	$ -	$ (5,528,647)
Development services	1,062,784	1,697,637	-	-	634,853	-	634,853
General and administrative	20,827,914	1,067,485	16,596	-	(19,743,833)	-	(19,743,833)
Highways and streets	3,601,998	1,075,865	-	2,190,770	(335,363)	-	(335,363)
Public safety	27,354,689	2,288,377	3,578,209	-	(21,488,103)	-	(21,488,103)
Interest and fiscal agent charges	2,560,933	-	-	-	(2,560,933)	-	(2,560,933)
Total governmental activities	60,947,223	6,139,488	3,594,939	2,190,770	(49,022,026)	-	(49,022,026)
Business-type activities							
Water and wastewater	25,333,182	26,934,154	-	2,377,946	-	3,978,918	3,978,918
Drainage utility	1,502,275	833,890	-	299,967	-	(368,418)	(368,418)
Golf course	3,997,255	3,363,915	-	-	-	(633,340)	(633,340)
Other recreation enterprises	1,491,533	884,286	-	-	-	(607,247)	(607,247)
Total business-type activities	32,324,245	32,016,245	-	2,677,913	-	2,369,913	2,369,913
Total primary government	$ 93,271,468	$ 38,155,733	$ 3,594,939	$ 4,868,683	(49,022,026)	2,369,913	(46,652,113)
General Revenues							
Taxes							
Property taxes, levied for general purposes					22,837,075	-	22,837,075
Sales taxes					22,088,364	-	22,088,364
Car rental taxes					10,042,659	-	10,042,659
Mixed beverage taxes					146,188	-	146,188
Hotel/motel occupancy taxes					924,551	-	924,551
Gross receipts taxes					4,238,664	-	4,238,664
Investment income					1,054,661	368,999	1,423,660
Rents and royalties					1,462,429	-	1,462,429
Loss on sale of capital assets					-	(84,752)	(84,752)
Miscellaneous					971,040	-	971,040
Transfers					551,974	(551,974)	-
Total general revenues and transfers					64,317,605	(267,727)	64,049,878
Change in net position					15,295,579	2,102,186	17,397,765
NET POSITION, beginning of year					143,974,034	87,873,198	231,847,232
NET POSITION, end of year					$ 159,269,613	$ 89,975,384	$ 249,244,997

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Debt Service Fund	Car Rental Tax Fund	Streets CIP Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS						
Deposits and investments	$ 18,524,079	$ 2,673,325	$ 6,563,804	1,163,881	$ 18,998,072	$ 47,923,161
Receivables						
Property taxes	470,107	166,531	-	-	63,975	700,613
Accounts receivable	1,337,426	-	-	18,193	290,981	1,646,600
Accrued interest receivable	33,764	-	615	2,778	5,028	42,185
Due from other governments	2,414,383	-	1,210,106	-	1,451,325	5,075,814
Prepaids and deposits	147,959	-	-	-	24,873	172,832
Inventories, at cost	11,016	-	-	-	-	11,016
Restricted deposits and investments	-	-	-	11,417,613	10,951,847	22,369,460
Total assets	$ 22,938,734	$ 2,839,856	$ 7,774,525	$ 12,602,465	$ 31,786,101	$ 77,941,681
LIABILITIES						
Accounts payable	$ 1,146,687	$ -	$ 5,584,258	$ 625,353	$ 2,018,291	$ 9,374,589
Accrued liabilities	522,426	-	-	-	80,765	603,191
Total liabilities	1,669,113	-	5,584,258	625,353	2,099,056	9,977,780
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	470,107	163,557	-	-	-	633,664
Unavailable revenue - other	581,008	-	-	-	4,448	585,456
Total deferred inflows of resources	1,051,115	163,557	-	-	4,448	1,219,120
FUND BALANCES						
Nonspendable						
Prepaids, deposits, and inventories	158,975	-	-	-	24,873	183,848
Restricted for						
Debt service	-	2,676,299	-	-	1,152,334	3,828,633
Capital projects	-	-	-	11,417,613	10,951,847	22,369,460
Developer agreements	-	-	-	-	2,214,281	2,214,281
Court technology	123,748	-	-	-	-	123,748
Juvenile case management	-	-	-	-	257,636	257,636
Cable PEG fees	-	-	-	-	608,222	608,222
Historical preservation	-	-	-	-	1,245	1,245
Assigned	145,057	-	2,190,267	559,499	14,472,159	17,366,982
Unassigned	19,790,726	-	-	-	-	19,790,726
Total fund balances	20,218,506	2,676,299	2,190,267	11,977,112	29,682,597	66,744,781
Total liabilities, deferred inflows of resources, and fund balances	$ 22,938,734	$ 2,839,856	$ 7,774,525	$ 12,602,465	$ 31,786,101	$ 77,941,681

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Total fund balances - governmental funds	$ 66,744,781
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of governmental funds are not current financial resources and therefore are not reported in the governmental funds balance sheet.	164,740,958
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(236,072)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds are net of the amount allocated to business-type activities.	20,513,896
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	1,219,120
Funds comprising the OPEB liability ($10,124,512) and deferred outflows $841,760 of resources related to the OPEB are not current financial resources and therefore are not reported in the governmental funds balance sheet.	(9,282,752)
Funds comprising the net pension liability ($13,750,472), deferred inflows ($5,665,475) and deferred outflows $3,400,225 of resources related to the pension are not current financial resources and therefore are not reported in the governmental funds balance sheet.	(16,015,722)
Long-term liabilities, including bonds payable, deferred charges on refundings, and compensated absences (excluding those of internal service funds) are not due and payable in the current period and therefore are not reported in the fund financial statements.	(68,414,596)
Net position of governmental activities	$ 159,269,613

The Notes to the Basic Financial Statements
are an integral part of these statements.

CITY OF EULESS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Debt Service Fund	Car Rental Tax Fund	Streets CIP Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues						
General property tax	$ 17,149,229	$ 4,034,881	$ -	$ -	$ 1,552,418	$ 22,736,528
Gross receipts tax	4,134,432	-	-	-	1,028,781	5,163,213
Mixed beverage tax	146,188	-	-	-	-	146,188
General sales tax	13,453,639	-	-	-	8,634,725	22,088,364
Car rental tax	-	-	10,042,659	-	-	10,042,659
Fines and fees	2,835,050	-	-	-	-	2,835,050
Licenses and permits	1,673,143	-	-	-	-	1,673,143
Investment income	263,648	44,406	116,378	192,451	252,944	869,827
DEA revenues	-	-	-	-	13,678	13,678
Intergovernmental	379,728	-	-	159,975	3,198,481	3,738,184
Rents and royalties	-	514,650	-	-	120,814	635,464
Other revenues	1,252,453	-	-	-	1,135,505	2,387,958
Total revenues	41,287,510	4,593,937	10,159,037	352,426	15,937,346	72,330,256
Expenditures						
Current						
Culture and recreation	3,052,695	-	-	-	3,732,834	6,785,529
Development services	753,251	-	-	-	311,777	1,065,028
General and administrative	11,317,732	-	6,680,181	-	729,137	18,727,050
Highways and streets	1,095,732	-	-	227,054	-	1,322,786
Public safety	22,530,086	-	-	-	5,792,402	28,322,488
Debt service						
Principal	-	4,370,000	-	-	235,000	4,605,000
Interest and fiscal charges	-	2,471,360	-	-	156,190	2,627,550
Capital outlay	897,699	-	167,562	7,326,518	8,447,795	16,839,574
Total expenditures	39,647,195	6,841,360	6,847,743	7,553,572	19,405,135	80,295,005
Excess (deficiency) of revenues over (under) expenditures	1,640,315	(2,247,423)	3,311,294	(7,201,146)	(3,467,789)	(7,964,749)
Other financing sources (uses)						
Issuance of debt	-	730,000	-	-	11,615,000	12,345,000
Premiums on issuance of debt	-	66,133	-	-	458,215	524,348
Proceeds from sale of assets	16,735	-	425	-	101,670	118,830
Transfers in	3,041,682	2,412,210	-	1,091,250	3,577,236	10,122,378
Transfers out	(1,453,841)	(700,000)	(5,483,643)	-	(3,224,173)	(10,861,657)
Total other financing sources (uses)	1,604,576	2,508,343	(5,483,218)	1,091,250	12,527,948	12,248,899
Net change in fund balances	3,244,891	260,920	(2,171,924)	(6,109,896)	9,060,159	4,284,150
Fund balances, beginning of year	16,973,615	2,415,379	4,362,191	18,087,008	20,622,438	62,460,631
Fund balances, end of year	$ 20,218,506	$ 2,676,299	$ 2,190,267	$ 11,977,112	$ 29,682,597	$ 66,744,781

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

Net change in fund balances - total governmental funds	$ 4,284,150
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount of capital expenditures recorded in the current period.	16,839,574
Governmental funds report cash proceeds from the disposal of capital assets as revenues, while only the net gain/loss on the transaction is reported in the statement of activities and capital contributions are not reported in governmental funds. This is the amount of capital contributions and disposals recorded in the current period.	1,378,684
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expenses are not reported as expenditures in the governmental funds.	(5,659,818)
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.	(12,345,000)
The repayment of the principal of long-term debt consumes current financial resources of governmental funds, but has no effect on net position.	4,605,000
Governmental funds report the effect of premiums, discounts, and deferred charges on refunding when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.	(414,802)
Current year changes in the long-term liabilities for compensated absences do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds.	(40,745)
Current year changes in accrued interest payables do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds.	66,616
Changes in the OPEB liability and related deferred inflows and outflows not recognized on the fund financial statements under the modified accrual basis are recognized on the accrual basis in the government-wide financial statements.	85,393
Changes in the net pension liability and related deferred inflows and outflows not recognized on the fund financial statements under the modified accrual basis are recognized on the accrual basis in the government-wide financial statements.	174,486
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds is reported with governmental activities net of the amount allocated to business-type activities.	6,144,076
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	177,965
Change in net position of governmental activities	$ 15,295,579

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business - Type Activities - Enterprise Funds	
ASSETS	**Water and Wastewater**	**Drainage Utility**
Current assets		
Deposits and investments	$ 18,782,098	$ 1,531,008
Accounts receivable and unbilled revenue less allowance for uncollectibles of $12,134 for water and wastewater and $201 for drainage utility	3,656,178	90,355
Accrued interest receivable	16,943	-
Prepaids and deposits	1,733	-
Inventory	116,096	-
Total unrestricted current assets	22,573,048	1,621,363
Restricted deposits and investments		
W&WW impact fees	3,010,687	-
Capital projects	4,256,167	-
Revenue bond reserve for debt service	1,425,701	-
Total restricted assets	8,692,555	-
Total current assets	31,265,603	1,621,363
Property, plant, and equipment in service, at cost		
Land	1,576,667	559,826
Building	97,094	-
Equipment	1,623,019	10,380
Improvements	1,097,773	1,171,994
Construction in progress	7,268,450	-
Utility system	94,721,244	28,644,755
Total property, plant, and equipment in service	106,384,247	30,386,955
Less accumulated depreciation	48,071,095	16,538,622
Net property, plant, and equipment in service	58,313,152	13,848,333
Total non-current assets	58,313,152	13,848,333
Total assets	89,578,755	15,469,696
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	483,433	49,945
Deferred outflows related to OPEB	119,146	14,355
Deferred charges on refunding	74,229	-
Total deferred outflows of resources	676,808	64,300

The Notes to the Basic Financial Statements are an integral part of these statements.

Business - Type Activities - Enterprise Funds			Governmental Activities -
Golf Course	Other Recreation Enterprises	Total Enterprise Funds	Internal Service Funds
$ 1,097,817	$ 989,039	$ 22,399,962	$ 19,115,382
123,141	6,319	3,875,993	152,493
-	-	16,943	8,049
14,095	-	15,828	-
96,894	12,695	225,685	-
1,331,947	1,008,053	26,534,411	19,275,924
-	-	3,010,687	-
-	-	4,256,167	700,000
-	-	1,425,701	-
-	-	8,692,555	700,000
1,331,947	1,008,053	35,226,966	19,975,924
897,520	584,532	3,618,545	-
3,621,666	488,275	4,207,035	-
553,155	1,688,121	3,874,675	15,400,763
8,863,125	10,405,661	21,538,553	-
93,328	-	7,361,778	-
-	-	123,365,999	-
14,028,794	13,166,589	163,966,585	15,400,763
8,296,215	6,515,427	79,421,359	9,820,316
5,732,579	6,651,162	84,545,226	5,580,447
5,732,579	6,651,162	84,545,226	5,580,447
7,064,526	7,659,215	119,772,192	25,556,371
90,449	16,154	639,981	-
24,081	4,013	161,595	-
324,673	-	398,902	-
439,203	20,167	1,200,478	-

CITY OF EULESS, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business - Type Activities - Enterprise Funds	
	Water and Wastewater	**Drainage Utility**
LIABILITIES		
Current liabilities		
Payable from current assets		
Accounts payable	$ 3,754,249	$ 4,706
Accrued salaries and wages	90,700	12,015
Current portion of bonds payable	945,000	-
Current portion of compensated absences	28,224	1,893
Accrued insurance claims	-	-
Unearned revenue	-	-
Accrued interest	80,286	-
Total current liabilities	4,898,459	18,614
Non-current liabilities		
Customer and escrow deposits	2,012,702	-
Net pension liability	1,929,018	182,741
Net OPEB liability	1,394,388	156,689
Bonds payable	17,763,280	-
Compensated absences	254,011	17,038
Total non-current liabilities	23,353,399	356,468
Total liabilities	28,251,858	375,082
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	802,526	102,594
Total deferred inflows of resources	802,526	102,594
NET POSITION		
Net investment in capital assets	43,935,268	13,848,333
Restricted for		
Impact fees	3,010,687	-
Capital projects	4,256,167	-
Debt service	1,425,701	-
Unrestricted	8,573,356	1,207,987
Total net position	$ 61,201,179	$ 15,056,320

Reconciliation to government-wide statement of net position
Adjustment to reflect the consolidation of internal service funds' activities related to enterprise funds

Net position of business-type activities

The Notes to the Basic Financial Statements are an integral part of these statements.

Business - Type Activities - Enterprise Funds			Governmental Activities -
Golf Course	Other Recreation Enterprises	Total Enterprise Funds	Internal Service Funds
$ 162,205	$ 17,680	$ 3,938,840	$ 489,958
19,675	5,872	128,262	3,730
510,000	-	1,455,000	-
6,841	831	37,789	561
-	-	-	641,843
86,963	-	86,963	-
11,472	-	91,758	-
797,156	24,383	5,738,612	1,136,092
110,503	-	2,123,205	-
352,787	59,766	2,524,312	-
288,286	48,048	1,887,411	-
3,427,317	-	21,190,597	-
61,568	7,476	340,093	5,043
4,240,461	115,290	28,065,618	5,043
5,037,617	139,673	33,804,230	1,141,135
162,237	27,039	1,094,396	-
162,237	27,039	1,094,396	-
2,119,935	6,651,162	66,554,698	5,580,447
-	-	3,010,687	-
-	-	4,256,167	700,000
-	-	1,425,701	-
183,940	861,508	10,826,791	18,134,789
$ 2,303,875	$ 7,512,670	86,074,044	$ 24,415,236
		3,901,340	
		$ 89,975,384	

CITY OF EULESS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Business - Type Activities - Enterprise Funds	
	Water and Wastewater	**Drainage Utility**
Operating revenues		
Water service	$ 14,960,883	$ -
Reclaimed water service	726,069	-
Wastewater service	10,180,945	-
Drainage fees	-	833,890
Recreation fees	-	-
Insurance premiums	-	-
Service fees and miscellaneous	1,066,257	-
Total operating revenues	26,934,154	833,890
Operating expenses		
General and administrative	495,120	-
Water production	9,117,138	-
Water distribution	1,348,709	-
Utility engineering	371,615	-
Wastewater collection and treatment	5,846,430	-
Nondepartmental	4,094,283	-
Geographic information systems	650,672	-
Service center	1,177,419	-
Drainage	-	705,464
Recreation classes	-	-
Golf course	-	-
Pro shop	-	-
Food and beverage	-	-
Conference center	-	-
Cart operations	-	-
Texas Star Sports Complex	-	-
Arbor Daze	-	-
Insurance costs	-	-
Depreciation	2,111,101	796,533
Amortization	19,843	-
Total operating expenses	25,232,330	1,501,997
Operating income (loss)	1,701,824	(668,107)

The Notes to the Basic Financial Statements are an integral part of these statements.

Business - Type Activities - Enterprise Funds			Governmental Activities -
Golf Course	Other Recreation Enterprises	Total Enterprise Funds	Internal Service Funds
$ -	$ -	$ 14,960,883	$ -
-	-	726,069	-
-	-	10,180,945	-
-	-	833,890	-
-	219,922	219,922	-
-	-	-	6,598,862
3,363,915	664,366	5,094,538	7,243,510
3,363,915	884,288	32,016,247	13,842,372
-	-	495,120	1,789,858
-	-	9,117,138	-
-	-	1,348,709	-
-	-	371,615	-
-	-	5,846,430	-
-	-	4,094,283	-
-	-	650,672	-
-	-	1,177,419	-
-	-	705,464	-
-	536,554	536,554	-
1,571,759	-	1,571,759	-
375,220	-	375,220	-
1,102,220	-	1,102,220	-
414,302	-	414,302	-
182,122	-	182,122	-
-	1,041,586	1,041,586	-
-	4,230	4,230	-
-	-	-	5,074,342
402,723	471,326	3,781,683	1,441,246
27,480	-	47,323	-
4,075,826	2,053,696	32,863,849	8,305,446
(711,911)	(1,169,408)	(847,602)	5,536,926

CITY OF EULESS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS – CONTINUED
YEAR ENDED SEPTEMBER 30, 2020

	Business - Type Activities - Enterprise Funds	
	Water and Wastewater	**Drainage Utility**
Nonoperating revenues (expenses)		
Gain (loss) on sale of capital assets	$ 550	$ -
Investment income	336,597	12,264
Interest expense	(280,546)	-
Total nonoperating revenues (expenses), net	56,601	12,264
Income (loss) before contributions and transfers	1,758,425	(655,843)
Developer contributions	2,377,946	299,967
Transfers in	-	-
Transfers out	(1,611,262)	(41,850)
Net income (loss)	2,525,109	(397,726)
Net position, beginning	58,676,070	15,454,046
Net position, end of year	$ 61,201,179	$ 15,056,320

Reconciliation to government-wide statement of net position
Adjustment to reflect the consolidation of internal service funds' activities related to enterprise funds
Change in net position of business-type activities

The Notes to the Basic Financial Statements are an integral part of these statements.

Business - Type Activities - Enterprise Funds				Governmental Activities -
Golf Course	Other Recreation Enterprises	Total Enterprise Funds		Internal Service Funds
$ (2,280)	$ (83,022)	$ (84,752)		$ 48,499
8,679	11,459	368,999		184,833
(97,287)	-	(377,833)		-
(90,888)	(71,563)	(93,586)		233,332
(802,799)	(1,240,971)	(941,188)		5,770,258
-	-	2,677,913		-
855,232	3,906	859,138		1,533,253
-	-	(1,653,112)		-
52,433	(1,237,065)	942,751		7,303,511
2,251,442	8,749,735			17,111,725
$ 2,303,875	$ 7,512,670			$ 24,415,236
		1,159,435		
		$ 2,102,186		

CITY OF EULESS, TEXAS
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Business - Type Activities - Enterprise Funds	
	Water and Wastewater	**Drainage Utility**
OPERATING ACTIVITIES		
Cash received from customers	$ 27,309,499	$ 838,807
Cash payments to suppliers for goods and services	(18,745,499)	(271,847)
Cash payments to employees for services	(3,801,056)	(457,973)
Net cash provided by (used in) operating activities	4,762,944	108,987
NONCAPITAL FINANCING ACTIVITIES		
Transfer in	-	-
Transfer out	(1,611,262)	(41,850)
Net cash provided by (used in) noncapital financing activities	(1,611,262)	(41,850)
CAPITAL AND RELATED FINANCING ACTIVITIES		
Impact fees	412,650	-
Purchase of capital assets	(9,099,294)	(321,779)
Interest paid on bonds	(306,354)	-
Principal paid on bonds	(1,180,000)	-
Capital grant and developer contributions	1,965,296	299,967
Proceeds from sale of capital assets	551	-
Net cash used in capital and related financing activities	(8,207,151)	(21,812)
INVESTING ACTIVITIES		
Interest received on investments	411,818	12,264
Net cash provided by investing activities	411,818	12,264
Net change in cash and cash equivalents	(4,643,651)	57,589
Cash and cash equivalents, beginning of year	32,118,304	1,473,419
Cash and cash equivalents, end of year	$ 27,474,653	$ 1,531,008

The Notes to the Basic Financial Statements are an integral part of these statements.

Business - Type Activities - Enterprise Funds			Governmental Activities -
Golf Course	Other Recreation Enterprises	Total Enterprise Funds	Internal Service Funds
$ 3,406,360	$ 887,877	$ 32,442,543	$ 13,782,799
(1,827,053)	(1,311,476)	(22,155,875)	(6,259,946)
(1,767,478)	(298,186)	(6,324,693)	(152,790)
(188,171)	(721,785)	3,961,975	7,370,063
855,232	3,906	859,138	1,533,253
-	-	(1,653,112)	-
855,232	3,906	(793,974)	1,533,253
-	-	412,650	-
(93,328)	(59,359)	(9,573,760)	(1,330,990)
(99,125)	-	(405,479)	-
(490,000)	-	(1,670,000)	-
-	-	2,265,263	-
1,019	5,149	6,719	67,177
(681,434)	(54,210)	(8,964,607)	(1,263,813)
8,679	11,459	444,220	194,220
8,679	11,459	444,220	194,220
(5,694)	(760,630)	(5,352,386)	7,833,723
1,103,511	1,749,669	36,444,903	11,981,659
$ 1,097,817	$ 989,039	$ 31,092,517	$ 19,815,382

CITY OF EULESS, TEXAS
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS – CONTINUED
YEAR ENDED SEPTEMBER 30, 2020

	Business - Type Activities - Enterprise Funds	
	Water and Wastewater	**Drainage Utility**
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	$ 1,701,824	$ (668,107)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,130,944	796,533
Changes in assets and liabilities:		
Accounts receivable and unbilled revenue	382,665	4,917
Prepaids and deposits	8,767	45
Inventory	3,279	-
Net OPEB liability	35,880	4,485
Net pension liability	(1,907,901)	(238,488)
Deferred outflows	1,147,513	137,479
Deferred inflows	679,651	88,905
Accounts payable	734,576	(540)
Accrued salaries and wages	(164,601)	(18,434)
Accrued insurance claims	-	-
Compensated absences	17,667	2,192
Customer and escrow deposits	(7,320)	-
Unearned revenue	-	-
Net cash provided by (used in) operating activities	$ 4,762,944	$ 108,987
Noncash financing activities		
Developer contributed assets	$ 2,377,946	$ 299,967
Reconciliation of cash to balance sheet:		
Cash - current	$ 18,782,098	$ 1,531,008
Cash - restricted	8,692,555	-
Cash and cash equivalents	$ 27,474,653	$ 1,531,008

The Notes to the Basic Financial Statements are an integral part of these statements.

Business - Type Activities - Enterprise Funds			Governmental Activities -
Golf Course	Other Recreation Enterprises	Total Enterprise Funds	Internal Service Funds
$ (711,911)	$ (1,169,408)	$ (847,602)	$ 5,536,926
430,203	471,326	3,829,006	1,441,246
59,630	3,589	450,801	(59,571)
(6,680)	14,327	16,459	62,157
3,522	13,809	20,610	-
7,176	1,196	48,737	-
(381,580)	(63,597)	(2,591,566)	-
229,842	38,308	1,553,142	-
136,986	22,808	928,350	-
91,667	(31,308)	794,395	189,641
(33,030)	(24,609)	(240,674)	(6,336)
-	-	-	206,000
3,189	1,774	24,822	-
(6,634)	-	(13,954)	-
(10,551)	-	(10,551)	-
$ (188,171)	$ (721,785)	$ 3,961,975	$ 7,370,063
$ -	$ -	$ 2,677,913	$ -
$ 1,097,817	$ 989,039	$ 22,399,962	$ 19,115,382
-	-	8,692,555	700,000
$ 1,097,817	$ 989,039	$ 31,092,517	$ 19,815,382

CITY OF EULESS, TEXAS
STATEMENT OF NET POSITION – FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	Stars Center Escrow Agency Fund	OPEB Trust Fund
ASSETS		
Investments at fair value		
Money market account	$ 1,318,007	$ 83,554
Fixed income funds	-	3,387,419
Equity funds	-	5,232,569
Receivables	103,125	-
Total assets	$ 1,421,132	$ 8,703,542
LIABILITIES		
Due to other entities	$ 1,420,547	$ -
Refunds payable	585	-
Total liabilities	$ 1,421,132	-
NET POSITION		
Held in trust for OPEB		$ 8,703,542

The Notes to the Basic Financial Statements
are an integral part of these statements.

CITY OF EULESS, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OPEB TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020

	OPEB Trust Fund
ADDITIONS	
Employer contributions	$ 1,455,171
Other contributions	276,885
Investment income	
Net increase in fair value of investments	635,423
Less: investment expense	(47,010)
Total investment income	588,413
Total additions	2,320,469
DEDUCTIONS	
Insurance claims	898,811
Administrative expenses	131,480
Total deductions	1,030,291
Change in net position	1,290,178
Net position - beginning	7,413,364
Net position - ending	$ 8,703,542

The Notes to the Basic Financial Statements
are an integral part of these statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The City of Euless (the City) was incorporated on February 24, 1953. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: general government, police and fire protection, emergency ambulance service, road and traffic signal maintenance, water and wastewater operations, drainage system, parks and recreational facilities, courts, library services, planning land use, building inspection, and traffic control.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*.

The more significant accounting policies of the City are described as follows:

Financial Reporting Entity

As required by GAAP, these basic financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. The blended component units, although legally separate entities, are, in substance, part of the primary government's operations. As such, data from these units is combined with data of the primary government.

Blended Component Units

The City includes four component units in the financial statements. The Euless Development Corporation (Corporation) is used to account for the accumulation of half-cent sales tax proceeds dedicated to building and improving City parks and facilities, enhancing library services, and stimulating economic development activities within the City. The Euless Crime Control and Prevention District (District) is used to account for the accumulation and use of quarter-cent sales tax proceeds dedicated for crime reduction programs. The Corporation and the District are reported as special revenue funds of the primary government. The Boards of Directors of both component units are substantively the same as the City Council. There are seven directors on each board, four of whom are council members which constitutes a voting majority of the City Council. The remaining three board members are residents of the City.

Upon dissolution of the Corporation or the District, the entity's assets will be distributed to the City. Each component unit provides all of its services to the City. The financial statements for the units were obtained from the respective Boards of Directors. Financial information for both entities may be obtained from the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Reporting Entity – Continued

Blended Component Units – Continued

The Tax Increment Reinvestment Zone #3 - Glade Parks (TIRZ #3) is also a blended component unit of the City and is reflected in the financial statements as a special revenue fund. TIRZ #3 was created to stimulate development and enhance the value of taxable real property within the boundaries of the zone. Tarrant County and Tarrant County College District are taxing entities participating in TIRZ #3. The Board of Directors of TIRZ #3 is substantially the same as the City Council and management of the City has operational responsibility for TIRZ #3. The Board is comprised of seven directors, four of whom are council members which constitutes a voting majority of the Board. The remaining three board members are representatives selected by the other participating taxing entities and the Tarrant County Hospital District. Financial information for TIRZ #3 may be obtained from the City.

The Tax Increment Reinvestment Zone #4 – Midtown (TIRZ #4) is also a blended component unit of the City and is reflected in the financial statements as a special revenue fund. The Midtown CIP Fund is also part of TIRZ#4. TIRZ #4 was created to stimulate development and enhance the value of taxable real property within the boundaries of the zone. Tarrant County, Tarrant County Hospital District, and Tarrant County College District are taxing entities participating in TIRZ #4. The Board of Directors of TIRZ #4 is substantially the same as the City Council and management of the City has operational responsibility for TIRZ #4. The Board is comprised of seven directors, four of whom are council members which constitutes a voting majority of the Board. The remaining three board members are representatives selected by the other participating taxing entities. Financial information for TIRZ #4 may be obtained from the City.

Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City, except fiduciary funds. The effect of interfund activity, with the exception of interfund services provided or used, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Continued

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate compliance with various legal provisions. Separate statements are presented for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses, and balances of current financial resources. The City has presented the following major governmental funds:

General Fund

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from property taxes levied by the City. The fund balance of the Debt Service Fund is restricted for debt service expenditures.

Car Rental Tax Fund

The Car Rental Tax Fund is used to account for revenues received from the collection of short-term motor vehicle rental taxes and the expenditures thereof. Per contractual agreement, revenues are shared with the cities of Dallas and Fort Worth. The City's portion of the revenue is used primarily for debt reduction, one-time capital projects, and to maintain the property tax rate.

Streets CIP Fund

The Streets CIP Fund is used to account for street construction and reconstruction projects and the means of financing such improvements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Continued

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the statement of net position. The City has presented the following major proprietary funds:

Water and Wastewater Fund

Water and Wastewater Fund is used to account for the acquisition, operation and maintenance of a municipal water and wastewater utility, supported primarily by user charges.

Drainage Utility Fund

Drainage Utility Fund is used to account for the acquisition, operation, and maintenance of a municipal drainage utility, supported primarily by user charges.

Golf Course Fund

Golf Course Fund is used to account for operation and maintenance of the City's golf course, supported primarily by user charges.

Other Recreation Enterprises Fund

Other Recreation Enterprises Fund is used to account for operations and maintenance of recreation programming, Arbor Daze, and the Texas Star Sports Complex, supported by user charges.

Additionally, the City reports the Internal Service Funds which are used to account for equipment replacement, risk management, and self-funded health insurance coverage and disability insurance provided to employees of the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City also reports two fiduciary funds in the financial statements. The Stars Center Escrow Fund accounts for investments that will be held on behalf of the Dallas Stars until the debt issued for the specific purpose of purchasing the Stars Center is fully repaid. The OPEB Trust Fund accounts for the accumulation and use of resources for benefit payments related to post-employment health care.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred inflows/outflows of resources, and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present increases and decreases in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water, wastewater, and drainage services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes and other revenues as available if they are collected within 60 days of year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and other long-term liabilities are recorded only when payment is due.

The significant revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income, and intergovernmental revenues. Sales taxes and short-term motor vehicle rental taxes collected and held by the state at year end on behalf of the City are also recognized as revenue. All other governmental fund revenues are recognized when received.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Deposits and Investments

Substantially all operating cash, deposits, and short-term investments are maintained in consolidated cash accounts or individual fund investment accounts. Related interest income is allocated to the various funds based primarily on ownership by each fund of specific investments. Cash equivalents consist of highly-liquid investments with original maturities of three months or less.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deposits and Investments – Continued

For purposes of the statement of cash flows, the City considers all highly liquid investments to be cash equivalents.

Investments in U.S. Treasury and agency obligations with maturities of one year or less when purchased are reported at amortized cost. All other investments are reported at fair value.

State statutes authorize the City to invest in obligations of the U.S. Government or its agencies; obligations of the State of Texas or its agencies; and certain other obligations, repurchase agreements, money market mutual funds, and certificates of deposits within established criterion.

Property Taxes

Property taxes are levied for appropriation for the fiscal year beginning on October 1, are due October 1, attach as an enforceable lien on property as of January 1, and become delinquent on February 1. Property taxes are accrued based on the period for which they are levied and available. Delinquent taxes estimated not to be available are treated as deferred inflows of resources. Property taxes for cities, including those applicable to debt service, are limited by the Texas Constitution to $2.50 per $100 of assessed valuation. The City's current tax rate is $0.4625 per $100 of assessed valuation ($0.4625 per $100 last year) and assessed valuation is approximately 100% of estimated value.

Inventories

Inventories, which are recognized as expenditures/expenses as consumed, are stated at cost (first-in, first-out method) for the General Fund, Enterprise Funds and Internal Service funds. Inventories consist primarily of expendable supplies for the General Fund and Internal Service funds and merchandise for resale for the Enterprise Funds.

Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and are recognized as expenditures utilizing the consumption method.

Transactions Between Funds

Interfund services provided and used are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as a reduction of expenditures or expenses in the fund reimbursed. All other interfund transactions are recorded as transfers.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant, and equipment.

Assets capitalized have an original cost of $5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	33 1/3 years
Water and wastewater system	33 1/3 years
Storm drainage system	33 1/3 years
Infrastructure	7 - 40 years
Machinery and equipment	5 - 15 years
Improvements	25 years

Compensated Absences

Employees may accumulate a maximum of two times their annual vacation accrual. The City's policy is to pay the employee accumulated vacation upon termination. The City does not pay employees for accumulated sick leave upon termination. The short-term portion of vacation pay accrued in the proprietary fund financial statements is reported as accrued salaries and wages (a current liability). The long-term component is reflected in non-current liabilities as compensated absences. Compensated absences are recorded in governmental funds as they mature (i.e. as taken). The liability for governmental fund compensated absences is typically liquidated in the general fund, the juvenile case fund, the half-penny sales tax fund, and the crime control and prevention district fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance Classifications

Fund balances are classified as follows on the governmental fund financial statements:

	Reported in					
	General Fund	Debt Service Fund	Car Rental Tax Fund	Streets CIP Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable	$ 158,975	$ -	$ -	$ -	$ 24,873	$ 183,848
Restricted for						
Debt service	-	2,676,299	-	-	1,152,334	3,828,633
Capital projects	-	-	-	11,417,613	10,951,847	22,369,460
Developer agreements	-	-	-	-	2,214,281	2,214,281
Court technology	123,748	-	-	-	-	123,748
Juvenile case processing	-	-	-	-	257,636	257,636
Cable PEG fees	-	-	-	-	608,222	608,222
Historical preservation	-	-	-	-	1,245	1,245
Assigned						
Capital projects	-	-	-	559,499	6,323,761	6,883,260
Betterments	59,504	-	-	-	-	59,504
Emergency/radio systems	47,230	-	-	-	-	47,230
Tourism and conference facilities	-	-	-	-	575,191	575,191
Parks, library, and economic development	-	-	-	-	3,596,344	3,596,344
Police department	-	-	-	-	1,870,525	1,870,525
Other	38,323	-	2,190,267	-	2,106,338	4,334,928
Unassigned	19,790,726	-	-	-	-	19,790,726
Total	$ 20,218,506	$ 2,676,299	$ 2,190,267	$ 11,977,112	$ 29,682,597	$ 66,744,781

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified prepaid items and inventory as being nonspendable.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance Classifications – Continued

The City has recorded the following restrictions at year-end:

a. Restricted for debt service represents that portion of fund equity legally restricted for retirement of bond principal and payment of interest and related charges.
b. Restricted for capital projects represents that portion of fund equity legally restricted by debt covenant for capital projects and capital equipment purchases.
c. Restricted for developer agreements represents the portion of fund equity that must be used for future improvements to various development areas within the City.
d. Restricted for court technology represents funds collected from a court technology fee that must be used to upgrade court systems.
e. Restricted for juvenile case processing represents funds collected from a fee on municipal court citations that must be used to support the expenditures associated with juvenile case processing.
f. Restricted for cable PEG fees represents the portion of fund equity that must be used for the expansion of the City's public, educational, and government access channel.
g. Restricted for historical preservation represents donations that must be used toward the preservation of the City's historical sites.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action (ordinance) of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City has no committed fund balance at year-end.

Assigned: This classification includes amounts that are constrained by the City's intended use for a specific purpose but are neither restricted nor committed. The City Council delegates the authority for determining this intent to the City Manager. Assignments are made at the City Manager's discretion, but generally represent items for which specific funds have been informally dedicated internally. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The City has recorded the following assignments at year-end:

a. Assigned for capital projects represents revenue sources that are to be used for capital projects for the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance Classifications – Continued

b. Assigned for betterment represents funds donated by citizens that are to be used for the betterment of the community.
c. Assigned for emergency/radio systems represents funding that is to be used to upgrade emergency and radio systems.
d. Assigned for tourism and conference facilities represents funds to promote the City through tourism, conference booking, and historical preservation.
e. Assigned for parks, libraries, and economic development represents funds from sales taxes that are to be used for park improvements, library activities, and economic development throughout the City.
f. Assigned for the police department are funds from the Crime Control and Prevention District and the sale of assets seized in connection with drug arrests to be used for police department expenditures.
g. Assigned for other are funds from specific revenues that are to be spent for facility remodel, victim assistance, and injured animals.

Unassigned: This classification includes all amounts that are not included in other spendable classifications and the remaining negative fund balance for any governmental funds. The General Fund is the only fund that reports a positive unassigned fund balance.

When available, the City uses restricted fund balances first, followed by committed resources, assigned resources, then unassigned resources, as appropriate opportunities arise. However, the City reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources of governmental and business-type activities and proprietary funds. Net investment in capital assets consists of capital assets, net of accumulated depreciation, plus capital-related deferred outflows of resources, reduced by the outstanding balances of any borrowing and capital related deferred inflows of resources used for the acquisition, construction, or improvements of those assets, plus unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, City specific information about its Fiduciary Net Position and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's OPEB liability is obtained from an actuarial valuation through a report prepared for the City by their consulting actuary in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting as deferred outflows of resources:

- Deferred charges on refundings – a deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.
- Pension contributions after measurement date – these contributions are deferred and recognized in the following fiscal year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deferred Outflows/Inflows of Resources – Continued

- Difference in projected and actual earnings on OPEB assets – this difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual OPEB experience – this difference is deferred and amortized over a closed period that approximates the estimated average remaining lives of all members on the measurement date.
- Difference in OPEB actuarial assumption changes – this difference is deferred and amortized over a closed period that approximates the estimated average remaining lives of all members on the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has the following items that qualify for reporting as deferred inflows of resources:

- Difference in expected and actual pension experience – this difference is deferred and amortized over a closed period that approximates the estimated average remaining lives of all members on the measurement date.
- Difference in projected and actual investment earnings for pension assets – the difference is deferred and amortized over a closed five-year period.

Tax Abatements

The City provides tax abatement programs through economic development agreements designed to promote local economic development and redevelopment; spur economic improvement; stimulate business and commercial activity within the City; retain, create, and attract jobs; train and retrain employees of local businesses; generate additional sales tax and enhance the property tax base and economic condition of the City. Agreements generally contain recapture provisions which may require repayment or termination if the recipients do not meet the required provisions.

As of September 30, 2020, the City has two categories of tax abatement programs for economic development:

Tax Abatements – The City has designated tax reinvestment zones and negotiated tax abatement agreements with applicants as authorized by the Texas Tax Code Chapter 312 and administered through the City's Tax Abatement Policy to promote development and redevelopment within the City. Such abatement agreements authorize the appraisal district to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Tax Abatements – Continued

Recipients receiving tax abatements generally commit to the creation of new value of eligible property improvements, either for new or improved existing facilities, made subsequent to the agreement ranging from 35% to 75% for up to 10 years. Property taxes abated under this program were $1,480 in fiscal year 2020, or less than 0.01% of the total property revenues.

General Economic Development Agreements – The City has entered into various agreements under Texas Local Government Code Chapter 380 to stimulate economic development. Such agreements may provide rebates, grants, or loans for promotion of economic development including attracting new business and encouraging expansion or retention of existing businesses. Rebates may be a flat amount or percentage of property taxes or sales taxes received by the City. For fiscal year 2020, the City rebated $1,022,279 in sales taxes, or 4.63% of the total sales tax revenues and $19,041 in property tax revenue, or less than 0.09% of the total property tax revenues. These rebates are reflected in non-departmental expenditures in the general fund and in general and administrative expenditures in the EDC fund.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

State statutes and the City's investment policy require that all uninsured deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies or instrumentalities or direct obligations of Texas or its agencies or instrumentalities that have a market value of not less than the principal amount of the deposits or by a letter of credit issued by a federal home loan bank. The City's deposits were fully insured or collateralized as required by state statutes as of September 30, 2020. At year-end, the carrying amount of the City's deposits was $5,251,609 with a bank balance of $5,652,551.

The total bank balance is covered by Federal Depository Insurance Corporation (FDIC) insurance or by collateral for balances in excess of FDIC coverage. Collateral is held by Bank of NY Mellon in the City's name under a joint safekeeping agreement with Frost National Bank for City deposits at Frost Bank. The market value of the collateral at the close of the fiscal year was $1,446,146. The balances at Bank of Texas (BOT) are covered by FDIC insurance and collateral pledged to cover the balances in the BOT short-term cash fund.

Investments

State statutes, City bond ordinances, and City resolutions authorize the City's investments. The City is authorized to invest in obligations of the U.S. Government and its agencies and instrumentalities, obligations of the State of Texas and its agencies and instrumentalities, fully-insured or collateralized certificates of deposit, fully-collateralized repurchase agreements and reverse repurchase agreements, government pools, and no-load SEC-registered money market funds consisting of any of these securities listed.

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Investments – Continued

Because the City is responsible for the investment portfolio of its component units, the City's investment practices and policies disclosed herein apply equally to its component units. During the year ended September 30, 2020, the City did not own any types of securities other than those permitted by statute.

Investment Type	Book Value	Fair Value Level 2	% of Portfolio	WAM	Rating	Rating Agency
Interest bearing bank deposits	$ 4,256,166		3%			
Investments measured at amortized cost:						
Investment Pools:						
TexPool	38,223,654		31%	38	AAAm	S&P
TexSTAR	38,280,409		31%	39	AAAm	S&P
Investments measured at fair value:						
U.S. Government Agency Securities:						
FFCB	18,993,890	19,056,710	16%	15	AA+/Aaa	S&P/Moody's
FHLB	4,999,450	5,010,530	4%	45	AA+/Aaa	S&P/Moody's
FHLMC	15,600,000	15,602,596	13%	42	AA+/Aaa	S&P/Moody's
FAMCA	2,000,000	2,000,520	2%	6	Not rated	
Total	$ 122,353,569	$ 41,670,356	100%			

Weighted average maturity (WAM) of the portfolio by investment type categories reflected in the previous table is stated in days. For the investment pools, the Reset WAM is presented. Investment type acronyms displayed in the previous table are defined as follows: FFCB – Federal Farm Credit Bank, FHLB – Federal Home Loan Bank, FHLMC – Federal Home Loan Mortgage Corporation, and FAMCA – Federal Agricultural Mortgage Corporation. The rating agency acronyms are defined as follows: S&P – Standard and Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. and Moody's – Moody's Investor Service, Inc. Additional information about the rating agency or the significance of the ratings provided may be obtained from the agency's web site.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs – other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Investments – Continued

Fair Value – Continued

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the previous table. The City's investment balances and weighted average maturity of such investments are as shown.

Investment pools are measured at amortized cost and are exempt from fair value reporting.

U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Both of the public fund investment pools (pools) in which the City is a participant use amortized cost to value the portfolio. Amortized cost, in most cases, approximates the market value of the securities held. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The pools in which the City invests transact at a net asset value of $1.00 per share, have a weighted average maturity of 60 days or less and weighted average life of 120 days or less, hold investments that are highly rated by a nationally recognized statistical rating organization, have no more than 5% of the portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions.

The TexPool investment pool is an external investment pool valued at amortized costs. TexPool, has a redemption notice period of one day and has no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity.

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Investments – Continued

The TexSTAR investment pool is an external investment pool measured at amortized cost. TexSTAR's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. TexSTAR has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity.

TexPool falls under the purview of the Texas Comptroller of Public Accounts (Comptroller) who is responsible for oversight of TexPool operations. Federated Hermes is responsible for managing pool assets and day-to-day operations. TexSTAR is duly chartered and administered by HilltopSecurities Inc. and JP Investment Management, Inc. TexSTAR has established a governing board that is partially comprised of pool participants. Duties of the governing board include oversight responsibility. The Comptroller and the governing board exercise oversight of the pools' activities via daily, weekly, and monthly reporting requirements.

Additionally, per the requirements of the Public Funds Investment Act (PFIA), all pools will maintain an AAA or equivalent rating from at least one nationally recognized rating agency. The PFIA also requires an annual examination of the financial statements of the pools by an independent certified public accounting firm. In connection with the financial audit, a compliance audit of management controls on investments and adherence to the investment policies is also required.

Interest Rate Risk

In compliance with the City's Investment Policy, as of September 30, 2020, the City minimized the interest rate risk, the risk relating to the decline in market value of securities in the portfolio, by: limiting the weighted average maturity to 365 days and the stated maturity to two years or less, with the exception of securities purchases related to reserve funds; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the PFIA; and investing funds primarily in money market mutual funds, government investment pools, and shorter-term securities.

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Interest Rate Risk – Continued

The following table details the maturity schedule for the City's investment portfolio as of September 30, 2020:

Maturity Schedule	Book Value	Fair Value	% of Portfolio
Overnight	$ 80,760,229	$ 80,760,229	66%
Less than 1 month	1,000,000	1,000,530	1%
1 to 6 months	2,998,950	3,014,780	2%
6 to 9 months	5,000,239	5,022,160	4%
9 to 12 months	3,999,861	4,000,760	3%
12 to 18 months	10,995,790	11,029,800	9%
Over 18 months	17,598,500	17,602,327	15%
Total	$ 122,353,569	$ 122,430,586	100%

Credit Risk

In compliance with the City's Investment Policy, as of September 30, 2020, the City minimized credit risk losses due to default of a security issuer or backer, by: limiting investments to the safest types of securities; primarily investing in U.S. Agency Bonds rated AA+ by Standard & Poor's; pre-qualifying financial institutions, brokers/dealers, and advisors with which the City will do business; and diversifying the investment portfolio so that the potential losses on securities are minimized.

Custodial credit risk – risk that a government will not be able to recover (a) deposits if the depository financial institution fails or (b) the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails. To minimize such risk, the City requires collateralization of deposits in excess of FDIC coverage, utilizes the delivery vs. payment method for investment purchases, and contracts with a third-party collateral safekeeping agent.

Per the terms of its depository agreement, for bank deposits in excess of the coverage provided by the FDIC, the City requires the depository bank to pledge to the City securities (collateral) equal to 105% of the largest balances the City maintains in the bank. The percentage as shown reflects the requirement based on market value of the pledged securities. The City actively monitors and manages collateral levels for all deposits. On September 30, 2020, the City's bank balances were fully insured or collateralized.

The City's depository bank also acts as its safekeeping agent per the terms of the depository contract. City policy dictates that all securities rendered for payment will be sent delivery vs. payment, meaning that the funds required for purchase of a security will not be released until the safekeeping agent has received the security purchased in the City's name. No broker holds City funds. The City does not purchase securities from its depository bank or any subsidiary banks of the same bank holding company.

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020, was as follows:

	Balance Beginning of Year	Increase	Decrease	Adjustment/ Transfer	Balance End of Year
Governmental activities					
Capital assets not being depreciated					
Land	$ 33,438,577	$ 966,596	$ (31,524)	$ 833,436	$ 35,207,085
Construction in progress	25,474,707	15,200,380	-	(9,905,326)	30,769,761
Total capital assets not being depreciated	58,913,284	16,166,976	(31,524)	(9,071,890)	65,976,846
Capital assets being depreciated					
Buildings	61,835,661	-	(621,679)	451,969	61,665,951
Improvements other than buildings	13,786,873	190,186	-	612,960	14,590,019
Infrastructure	91,612,827	859,237	-	7,429,418	99,901,482
Machinery and equipment	10,918,875	1,650,407	(343,682)	577,543	12,803,143
Total capital assets being depreciated	178,154,236	2,699,830	(965,361)	9,071,890	188,960,595
Less accumulated depreciation					
Buildings	(27,823,874)	(1,795,998)	23,368	-	(29,596,504)
Improvements other than buildings	(5,173,695)	(414,720)	-	-	(5,588,415)
Infrastructure	(44,791,865)	(2,463,500)	-	-	(47,255,365)
Machinery and equipment	(7,095,567)	(985,600)	324,969	-	(7,756,198)
Total accumulated depreciation	(84,885,001)	(5,659,818)	348,337	-	(90,196,482)
Total capital assets being depreciated, net	93,269,235	(2,959,988)	(617,024)	9,071,890	98,764,113
Total governmental fund capital assets, net	152,182,519	13,206,988	(648,548)	-	164,740,959
Internal service funds					
Capital assets being depreciated					
Machinery and equipment	14,416,755	1,330,990	(346,982)	-	15,400,763
Total internal service assets being depreciated	14,416,755	1,330,990	(346,982)	-	15,400,763
Less accumulated depreciation					
Machinery and equipment	(8,707,374)	(1,441,246)	328,304	-	(9,820,316)
Total internal service funds capital assets, net	5,709,381	(110,256)	(18,678)	-	5,580,447
Total governmental activities capital assets, net	$157,891,900	$13,096,732	$ (667,226)	$ -	$170,321,406

NOTE 3. CAPITAL ASSETS – CONTINUED

	Balance Beginning of Year	Increase	Decrease	Adjustment/ Transfer	Balance End of Year
Business-type activities					
Capital assets not being depreciated					
Land	$ 3,618,545	$ -	$ -	$ -	$ 3,618,545
Construction in progress	5,207,167	7,653,489	-	(5,498,878)	7,361,778
Total capital assets not being depreciated	8,825,712	7,653,489	-	(5,498,878)	10,980,323
Capital assets being depreciated					
Buildings	4,207,035	-	-	-	4,207,035
Equipment	3,959,914	6,736	(91,975)	-	3,874,675
Improvements	21,637,760	52,623	(151,830)	-	21,538,553
Utility system	116,006,208	1,860,913	-	5,498,878	123,365,999
Total capital assets being depreciated	145,810,917	1,920,272	(243,805)	5,498,878	152,986,262
Less accumulated depreciation					
Buildings	(2,655,604)	(124,217)	-	-	(2,779,821)
Equipment	(1,975,889)	(300,117)	85,436	-	(2,190,570)
Improvements	(11,746,906)	(612,828)	66,898	-	(12,292,836)
Utility system	(59,413,611)	(2,744,521)	-	-	(62,158,132)
Total accumulated depreciation	(75,792,010)	(3,781,683)	152,334	-	(79,421,359)
Total capital assets being depreciated, net	70,018,907	(1,861,411)	(91,471)	5,498,878	73,564,903
Total business-type activities capital assets, net	$78,844,619	$ 5,792,078	$ (91,471)	$ -	$84,545,226

Depreciation expense was charged as a direct expense to programs of the primary government as follows:

Governmental activities	
Culture and recreation	$ 796,336
Development	24,003
General administrative	3,145,761
Highways and streets	2,545,204
Public safety	589,760
Total depreciation expense - governmental activities	$ 7,101,064
Business-type activities	
Water and wastewater	$ 2,111,101
Drainage utility	796,533
Golf course	402,723
Other recreation enterprises	471,326
Total depreciation expense - business-type activities	$ 3,781,683

Outstanding commitments at September 30, 2020, under authorized construction contracts, were $6,783,505. These outstanding commitments are to be financed by available deposit and investment balances, which include proceeds from previous bond issuances.

NOTE 4. LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the year ended September 30, 2020:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due within One Year
Governmental activities					
General obligation bonds	$ 8,805,000	$ -	$ (2,765,000)	$ 6,040,000	$1,925,000
Certificates of obligation	46,200,000	7,115,000	(1,605,000)	51,710,000	2,140,000
Sales tax revenue bonds	1,565,000	4,120,000	(235,000)	5,450,000	205,000
Tax notes	-	1,110,000	-	1,110,000	365,000
Premium on debt	1,979,025	524,348	(229,502)	2,273,871	173,726
Discount on debt	(91,388)	-	12,735	(78,653)	(9,682)
Net pension liability	27,058,083	-	(13,307,611)	13,750,472	-
Net OPEB liability	9,874,248	250,264	-	10,124,512	-
Compensated absences	2,076,934	432,351	(391,761)	2,117,524	211,752
Total governmental activities	97,466,902	13,551,963	(18,521,139)	92,497,726	5,010,796
Business-type activities					
Water and sewer revenue bonds	19,905,000	-	(1,180,000)	18,725,000	945,000
General obligation refunding bonds	4,295,000	-	(490,000)	3,805,000	510,000
Premiums on debt	155,967	-	(19,241)	136,726	19,241
Discounts on debt	(22,754)	-	1,625	(21,129)	(1,625)
Net pension liability	5,115,878	-	(2,591,566)	2,524,312	-
Net OPEB liability	1,838,674	48,737	-	1,887,411	-
Compensated absences	353,060	78,014	(53,192)	377,882	37,789
Total business-type activities	31,640,825	126,751	(4,332,374)	27,435,202	1,510,405
Total primary government	$129,107,727	$13,678,714	$(22,853,513)	$119,932,928	$6,521,201

Governmental fund net pension liability and OPEB liability are typically liquidated by the general, half-penny sales tax, crime control and prevention district, and juvenile case funds.

General Obligation Bonds

General obligation bonds and general obligation refunding bonds provide funds for the acquisition and construction of major capital equipment, City facilities, and infrastructure assets and the refunding of previously issued debt instruments. General obligation bonds require voter authorization; whereas general obligation refunding bonds do not. General obligation bonds are direct obligations of the City, payable from a continuing and direct ad valorem tax, levied within the limits prescribed by law, on all taxable property within the City as provided in the ordinances authorizing issuance of the bonds.

NOTE 4. LONG-TERM DEBT – CONTINUED

General Obligation Bonds – Continued

The City is required to compute an interest and sinking fund tax rate sufficient to cover the annual debt service requirements inclusive of anticipated drawdown of reserves, transfers or revenues from self-supporting debt systems, and other miscellaneous sources.

As of September 30, 2020, general obligation bonds currently outstanding are as follows:

	Interest Rate %	Dated	Maturity Date	Principal Outstanding
General Obligation Bonds				
Taxable Refunding, Series 2010	3.85% – 4.4%	08/15/2010	08/01/2025	$3,135,000
Refunding, Series 2011	4%	01/15/2011	08/15/2021	860,000
Refunding, Series 2012	3% – 4%	12/01/2011	02/15/2024	2,045,000
Refunding, Series 2012A	2% – 3%	11/01/2012	02/15/2027	3,805,000
			Total	$9,845,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal	Governmental Activities		Business-Type Activities		
Year	Principal	Interest	Principal	Interest	Total
2021	$ 1,925,000	$ 229,114	$ 510,000	$ 84,125	$ 2,748,239
2022	1,105,000	152,439	520,000	71,275	1,848,714
2023	1,140,000	110,539	530,000	60,444	1,840,983
2024	1,185,000	67,099	540,000	48,738	1,840,837
2025	685,000	30,140	555,000	36,072	1,306,212
2026-2027	-	-	1,150,000	30,097	1,180,097
Total	$ 6,040,000	$ 589,331	$ 3,805,000	$ 330,751	$ 10,765,082

The business-type activities general obligation refunding bonds outstanding were issued to refund previously issued golf course debt. The City anticipates repayment of the debt will occur from the golf system revenues. However, these plans are subject to change.

NOTE 4. LONG-TERM DEBT – CONTINUED

Certificates of Obligation

Certificates of obligation are issued for many of the same purposes as general obligation bonds, but certificates do not require voter authorization nor may they be used to refund existing debt. The certificates constitute direct obligations of the City, payable from (i) the levy and collection of a direct and continuing ad valorem tax, levied within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge (not to exceed $1,000) of the Net Revenues of the City's waterworks and sanitary sewer system.

The City currently has the following certificates of obligation outstanding as of the end of the fiscal year:

	Interest Rate %	Dated	Maturity Date	Principal Outstanding
Certificates of Obligation				
Series 2011	4% – 4.25%	01/15/2011	08/15/2030	$1,925,000
Series 2014	3% – 5%	10/15/2014	08/15/2034	4,770,000
Series 2015	3% – 5%	10/27/2015	02/15/2035	2,665,000
Series 2016	2% – 4%	01/12/2016	02/15/2041	15,025,000
Series 2018	3% – 4%	03/01/2018	02/15/2038	8,620,000
Series 2019	3% – 5%	01/15/2019	02/15/2039	11,590,000
Series 2020	2% – 3.5%	01/14/2020	02/15/2040	7,115,000
			Total	$51,710,000

Annual debt service requirements to maturity for the certificates of obligation are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2021	$ 2,140,000	$ 1,701,812	$ 3,841,812
2022	2,205,000	1,631,488	3,836,488
2023	2,290,000	1,553,238	3,843,238
2024	2,365,000	1,464,262	3,829,262
2025	2,450,000	1,386,550	3,836,550
2026-2030	13,610,000	5,582,707	19,192,707
2031-2035	14,435,000	3,158,444	17,593,444
2036-2040	11,635,000	987,328	12,622,328
2041	580,000	9,425	589,425
Total	$ 51,710,000	$17,475,254	$69,185,254

NOTE 4. LONG-TERM DEBT – CONTINUED

Certificates of Obligation – Continued

On January 14, 2020, the City Council approved the issuance of $7,115,000 of Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, series 2020 for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit; acquiring, designing, constructing, improving, expanding, and equipping one or more fire stations (including the demolition of existing fire Station #1); and (ii) professional services rendered in relation to such projects and the financing thereof.

Revenue Bonds

Each series of revenue bonds is backed by the pledged revenue sources identified in the bond ordinances authorizing issuance of the bonds. The purpose and primary pledged revenue sources of each type of revenue bond are summarized as follows.

Half-penny sales tax fund issues sales tax revenue bonds (STRB) to finance library, park, and economic development projects throughout the City. Sales tax revenue bonds are special obligations of the Euless Development Corporation (EDC), payable solely from and secured by a lien on and pledge of certain Pledged Revenues which includes the gross proceeds of a ½¢ sales and use tax levied within the City for the benefit of the EDC. The EDC is reflected in the financial statements of the City as a special revenue fund. Accordingly, the EDC's debt is reflected in governmental activities debt.

Water and wastewater fund issues revenue bonds (W&WW) for the construction of and improvement to the City's combined waterworks and sanitary sewer infrastructure or to refund previously issued revenue bonds. Water and sewer revenue bonds and refunding bonds are payable solely from and equally secured by a first lien on and pledge of the net revenues of the City's water and wastewater system.

The City currently has the following revenue bonds outstanding at the end of the fiscal year:

	Interest Rate %	Dated	Maturity Date	Principal Outstanding
Revenue Bonds				
W&WW Refunding, Series 2012	2.03%	03/29/2012	07/15/2024	$ 535,000
W&WW Improvement, Series 2013	3.625% – 5%	06/25/2013	07/15/2033	1,150,000
W&WW Improvement, Series 2015A	0.59% - 1.98%	06/15/2015	07/15/2035	3,585,000
W&WW Improvement, Series 2015B	0.29% - 1.68%	06/15/2015	07/15/2035	1,900,000
W&WW Improvement, Series 2018	0.05% - 1.49%	04/12/2018	07/15/2038	2,530,000
W&WW Improvement, Series 2019	0.26% - 1.66%	04/25/2019	07/15/2049	9,025,000
STRB, Series 2018	3% – 4%	10/15/2018	09/15/2038	1,505,000
STRB, Series 2019	2.5% – 4%	12/12/2019	09/15/2039	3,945,000
			Total	$ 24,175,000

NOTE 4. LONG-TERM DEBT – CONTINUED

Revenue Bonds – Continued

Annual debt service requirements to maturity for revenue bonds are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities		
	Principal	Interest	Principal	Interest	Total
2021	$205,000	$188,725	$945,000	$271,034	$1,609,759
2022	220,000	181,125	945,000	263,393	1,609,518
2023	225,000	172,975	960,000	254,746	1,612,721
2024	230,000	164,625	965,000	244,786	1,604,411
2025	245,000	156,075	840,000	233,658	1,474,733
2026-2030	1,355,000	630,875	4,360,000	1,004,234	7,350,109
2031-2035	1,600,000	380,025	4,505,000	630,314	7,115,339
2036-2040	1,370,000	105,850	2,040,000	340,157	3,856,007
2041-2045	–	–	1,700,000	203,135	1,903,135
2046-2049	–	–	1,465,000	60,973	1,525,973
Total	$5,450,000	$1,980,275	$18,725,000	$3,506,430	$29,661,705

On December 12, 2019, the Euless Development Corporation, a blended component unit of the City, issued $4,120,000 of Euless Development Corporation Sales Tax Revenue Bonds, Series 2019. Proceeds will be used for construction of parks and park facilities, specifically Texas Star Sports Complex Phase VII Construction, as approved in the Capital Improvements Program Budget, and the financing thereof.

The gross ½¢ sales tax revenues of the EDC recognized in the year ending September 30, 2020 totaled $5,521,314. The principal and interest payments on the EDC debt for the same period totaled $391,190 which equates to approximately 7.1% of the gross ½¢ sales tax revenues.

The recognized net revenues of the water and wastewater fund totaled $2,038,421 for the year ending September 30, 2020. Principal and interest payments on the water and sewer revenue bonds totaled $1,486,354 which equates to approximately 72.9% of net system revenues.

In accordance with the water and sewer revenue and refunding bond ordinances, the following reserves were established:

Reserve for revenue bond debt service – to be used for retirement of the current portion of principal and interest payments due.

Reserve for emergency – to be used for payment of extraordinary repairs or replacements to the system necessitated by an emergency for which no other funds are available.

NOTE 4. LONG-TERM DEBT – CONTINUED

Revenue Bonds – Continued

Revenue bond reserve – a reserve established at the time of issuance pursuant to the revenue bond covenants which will be used for principal and interest payments in the event of default by the issuer.

Should the reserve for revenue bond debt service and/or the revenue bond reserve prove deficient, the reserve for emergency shall be used for the purpose of meeting principal and/or interest requirements of the bonds.

All funding requirements for the above reserves were met at September 30, 2020.

Investments of funds included in the bond reserve and emergency accounts are restricted to obligations of the United States or its agencies or instrumentalities (except for mortgage pass-through securities).

Water and sewer revenue bonds authorized and unissued as of September 30, 2020, amounted to $1,200,000. The water and sewer bonds were authorized in 1970, and currently the City Council has no intent to issue these bonds.

Tax Notes

Tax notes are issued for the purchase of certain specified materials, supplies, equipment, and machinery for the City's authorized needs and purposes. In 2020, tax notes were issued to pay contractual obligations incurred (i) primarily for the purchase of public safety related equipment and street maintenance equipment; and (ii) professional services rendered in relation thereto. The City currently has the following tax notes outstanding as of the end of the fiscal year:

	Interest Rate %	Dated	Maturity Date	Principal Outstanding
Tax Notes Series 2020	1.07%	06/25/2020	02/15/2023	$ 1,110,000

NOTE 4. LONG-TERM DEBT – CONTINUED

Tax Notes – Continued

Annual debt service requirements to maturity for the tax notes are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2021	$365,000	$11,362	$376,362
2022	370,000	6,106	376,106
2023	375,000	2,100	377,100
Total	$1,110,000	$19,568	$1,129,568

NOTE 5. COMMITMENTS AND CONTINGENT LIABILITIES

The City entered into a contract dated January 21, 1972, with Trinity River Authority (TRA) whereby TRA agreed to provide treated water to the City. This contract was for an original term of thirty-five (35) years and continues in effect until all bonds, or any bonds issued to refund same, have been paid in full. Additionally, on October 10, 1973, the City entered into a contract with TRA to provide wastewater treatment services to the City. The contract remains in force and effect for a period of fifty (50) years and thereafter until any bonds, or any bonds issued to refund same, have been paid in full. Payments by the City are based on metered usage at rates designed to charge the City a prorata share of TRA's annual operating and maintenance expenses and principal and interest requirements on bonds issued by TRA. Payments under these contracts approximated $13,265,852 and are included as operating expenses of the water and wastewater fund.

The City entered into a 20-year contract dated February 2, 2010, with the City of Fort Worth (Fort Worth) whereby Fort Worth agreed to provide reclaimed water service to the City. Payments by the City are based on metered volume. Payments under this contract were $367,201 in the year ended September 30, 2020 and are included as operating expenses of the water and wastewater fund.

The City is involved in a number of lawsuits arising in the ordinary course of business. In the opinion of the City's legal counsel and management, any liability resulting from such litigation would not be material in relation to the City's financial position.

NOTE 6. SERVICE CENTER

The water and wastewater enterprise fund historically bears the major portion of the operating costs of the City's service center, which provides services to all City departments.

NOTE 7. INTERFUND TRANSFERS

All interfund transfers between the various funds are approved supplements to the operations of those funds.

	Transfers in					
	General	Debt Service	Street CIP	Non-major Governmental	Subtotal Governmental	Internal Service
Transfers out						
General	$ -	$ -	$ 975,000	$ 223,416	$ 1,198,416	$ 242,000
Debt service	-	-	-	-	-	700,000
Car rental tax	1,630,570	-	-	3,103,820	4,734,390	349,253
Water and wastewater	1,369,262	-	-	-	1,369,262	242,000
Drainage utility	41,850	-	-	-	41,850	-
Nonmajor governmental	-	2,412,210	116,250	250,000	2,778,460	-
Total transfers in	$ 3,041,682	$ 2,412,210	$ 1,091,250	$ 3,577,236	$ 10,122,378	$ 1,533,253

	Transfers in					
	Major Enterprise					
	Water and Wastewater	Drainage Utility	Golf Course	Other Recreation Enterprise	Subtotal Enterprise	Total Transfers Out
Transfers out						
General	$ -	$ -	$ 13,425	$ -	$ 13,425	$ 1,453,841
Debt service	-	-	-	-	-	700,000
Car rental tax	-	-	400,000	-	400,000	5,483,643
Water and wastewater	-	-	-	-	-	1,611,262
Drainage utility	-	-	-	-	-	41,850
Nonmajor governmental	-	-	441,807	3,906	445,713	3,224,173
Total transfers in	$ -	$ -	$ 855,232	$ 3,906	$ 859,138	$ 12,514,769

Transfers are primarily used to move funds from:

- The general fund to the street CIP fund and non-major governmental funds to satisfy grant matching requirements and to fund approved capital projects and to the golf course fund for sales tax rebates.
- The car rental tax fund, the water and wastewater fund, and the drainage utility fund to the general fund for general and administrative charges.
- The car rental tax fund to the non-major governmental funds to provide funding for approved capital projects.
- The non-major governmental funds to non-major governmental funds to provide funding for approved projects.
- The non-major governmental funds to debt service funds for debt payments on previously issued debt.

NOTE 7. INTERFUND TRANSFERS – CONTINUED

- The general fund and water and wastewater fund to the internal service funds for workers' compensation and general liability insurance claims.
- The car rental fund and debt service fund to the internal service funds for equipment purchases.
- The non-major governmental funds to the golf course fund to cover a portion of the operating and debt costs associated with the conference center.
- The non-major governmental funds to the other recreation enterprises fund to provide funding for approved projects.
- The car rental tax fund to the golf course fund for operations.

NOTE 8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Texas Municipal League Joint Self-Insurance Fund (TMLIF) to provide both general liability and property insurance.

The City, along with other participating entities, contributes annual amounts determined by TMLIF management. As claims arise they are submitted to and paid by TMLIF. The City is not liable for payments beyond their annual contributions to TMLIF and related deductibles.

In fiscal year 2006, the City contracted with the Texas Municipal League Intergovernmental Risk Pool to provide workers' compensation insurance and effectively discontinued being self-insured for workers' compensation claims. This policy has no deductibles, includes all claims handling, and has a fixed premium.

In fiscal years prior to 2006, the City was self-insured for workers' compensation claims. Contributions were made to a separate risk management fund by other funds and were available to pay claims, claim reserves, and administrative costs of the program. The City remains liable under its self-insurance program for any claims occurring prior to October 1, 2005.

The City provides employee health insurance coverage on a self-insured basis. Premiums are paid into a separate insurance fund by other funds, by the City's employees, and by retirees. The premiums are used to fund claims, administrative costs of the program, and claim reserves. An excess coverage insurance policy covers individual claims in excess of $125,000, an aggregated specific deductible of $110,000, and aggregate claims in excess of $4,217,094. During fiscal year 2020, the City and the City's employees contributed approximately $4,645,364 and $1,443,724 respectively, for medical coverage.

The City's contributions are accounted for as interfund services provided and used. Claims liabilities are based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported, and are accounted for in the Insurance Internal Service Fund.

NOTE 8. RISK MANAGEMENT – CONTINUED

Changes in the balances of health, dental, and prescription claims liabilities for the years ended September 30, 2020 and 2019 are as follows:

	2020	2019*
Unpaid claims, beginning of year	$ 433,000	$ 608,000
Incurred claims	3,483,252	3,509,450
Paid claims	(3,277,252)	(3,684,450)
Unpaid claims, end of year	$ 639,000	$ 433,000

* restated to include prescription costs

Settlement amounts have not exceeded stop loss insurance coverage for the year ended September 30, 2020 or any of the three preceding years ended September 30.

NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

Benefits Provided – Continued

Plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
A member is vested after	5 years
Service retirement eligibility	20 years at any age, 5 years at 60 and above
Updated service credit	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI

Employees Covered By Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	263
Inactive employees entitled to, but not yet receiving benefits	168
Active employees	383
Total	814

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the City were required to contribute 7% of their annual gross earnings during the year ended September 30, 2020. The contribution rates for the City were 17.51% and 17.70% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020 were $5,532,423 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

Actuarial Assumptions

The TPL in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

Actuarial Assumptions – Continued

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

Changes in the Net Pension Liability

	Increase (Decrease)		
	TPL (a)	Plan Fiduciary Net Position (b)	NPL (a) - (b)
Balance at 12/31/2018	$ 217,806,715	$ 185,632,754	$ 32,173,961
Changes for the year:			
Service cost	5,375,963	-	5,375,963
Interest	14,557,634	-	14,557,634
Change of benefit terms	-	-	-
Difference between expected and actual experience	(171,396)	-	(171,396)
Changes of assumptions	145,747	-	145,747
Contributions - employer	-	5,192,816	(5,192,816)
Contributions - employee	-	2,077,001	(2,077,001)
Net investment income	-	28,704,340	(28,704,340)
Benefit payments, including refunds of employee contributions	(9,652,090)	(9,652,090)	-
Administrative expense	-	(162,161)	162,161
Other changes	-	(4,871)	4,871
Net changes	10,255,858	26,155,035	(15,899,177)
Balance at 12/31/2019	$ 228,062,573	$ 211,787,789	$ 16,274,784

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 48,279,842	$ 16,274,784	$ (10,077,565)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the City recognized pension expense of $5,409,693.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 236,552
Difference between projected and actual investment earnings	-	6,523,319
Contributions subsequent to the measurement date	4,040,206	-
Total	$ 4,040,206	$ 6,759,871

$4,040,206 reported as deferred outflows of resources related to the pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year December 31,	Net Deferred Outflows/(Inflows) of Resources
2020	$ (2,049,060)
2021	(1,937,343)
2022	471,072
2023	(3,244,540)
Total	$ (6,759,871)

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

Postemployment Healthcare Plan

Plan Description

The City adopted the City of Euless Post-Employment Benefits Trust (OPEB Trust) by passage of Resolution No. 09-1319 on September 8, 2009 which authorized participation in the PARS Public Agencies Post-Retirement Health Care Plan Trust, including the City of Euless Public Agencies Post-Retirement Health Care Plan (the Plan), as part of the City's Retirement Program. Article III of the Public Agencies Post-Retirement Health Care Plan Master Plan Document as adopted provides for the determination of eligibility under the plan to each participating Employer to the extent provided in the Employer's applicable policies.

The City's policies with regard to post-employment healthcare coverage are governed by the City of Euless Medical and Dental Plan, the City's group health insurance plan, the benefits of which are established by management.

Benefits provided. The City provides post-employment medical, dental, life, and vision benefits under the Plan to eligible retirees and dependents qualifying as one of the eligible classes of dependents as described in the Plan. To be eligible for coverage under the Plan, an employee must retire with the City of Euless and be eligible for retirement through TMRS. TMRS retirement eligibility requirements are described in detail in Note 9. Additionally, written application to enroll himself/herself and all eligible dependents (for which coverage is elected) in the Plan must be made by the employee prior to or on the retirement date.

The Plan provides lifetime benefits or until Medicare eligibility is attained. Regardless of Medicare enrollment status, the Plan will base payment of benefits as though Medicare were responsible for primary payment of benefits insomuch as allowed by Federal law.

The Plan is a single-employer defined benefit healthcare plan administered by the City Manager, his/her successor, or his/her designee. Separate financial statements for the Plan are not issued, but rather are included in the financial statements of the City which are available on-line at https://www.eulesstx.gov/departments/finance/cafr.

The OPEB Trust is an agent multiple-employer trust arrangement established to provide economies of scale and efficiency of administration to public agencies. The OPEB Trust is established as a tax-exempt trust within the meaning of Section 115 of the Internal Revenue Code and is intended to hold the assets used to fund the City's post-employment benefits offered by the City to its employees as specified in the City's policies.

The OPEB Trust is administered by Public Agency Retirement Services pursuant to the Trust Agreement adopted on September 8, 2009 by the City Council with passage of Resolution No. 09-1319. Upon adoption of the Trust Agreement, a separate Agency Account was established under the OPEB Trust for the City, and all assets of the Trust attributable to the City are held in the City's Agency Account. The assets of the Trust are available only to pay post-employment healthcare benefits of eligible employees of the City and their dependents and other associated administrative costs.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Funding Policy

A Participant in the OPEB Trust is required from time-to-time to contribute to its Agency Account an amount determined by such Participant at its sole discretion. Such amount may, but need not, equal such Participant's actuarially determined contribution (ADC) as determined in accordance with GASB 74. However, it is currently the intent of the Plan Administrator to annually fund an amount equal to, or in excess of, the ADC. This intent is subject to change and is subject to annual appropriation.

Contribution requirements of Plan members and the City are determined by the Plan Administrator and may be amended by same from time to time. Plan members contribute:

	Monthly Contribution			
	Medical Plan	Medical Plan	Dental	Vision
Retiree Only	$ 935.14	$ 761.18	$ 33.10	$ 7.85
Retiree plus Children	1,776.78	1,446.24	62.89	12.83
Retiree plus Spouse	2,150.83	1,750.71	76.13	15.24
Retiree plus Family	2,711.92	2,207.42	96.00	21.53

Retired employees meeting all eligibility requirements as set forth in the Plan that were hired prior to October 1, 2006 and are either:

a) Retired and enrolled in the Plan on or prior to September 30, 2007; or

b) Retired and not enrolled in the Plan on or prior to September 30, 2007 and meet guidelines for reinstatement to the Plan; or

c) Employees who were not retired as of September 30, 2007 that retire with at least ten years of service to the City of Euless and have a combined age and years of service equal to at least 70

will qualify for a service discount on their total premium, subject to annual appropriation, as set forth in the following table.

Retired employees meeting all eligibility requirements as set forth in the Plan that were hired after October 1, 2006 and before October 1, 2014 retiring with a minimum of 20 years of service with a combined age and years of service to the City of Euless equal to at least 80 qualify for a service discount on their total premium, subject to annual appropriation, as set forth in the following:

	Discounts on Premiums					
	Hired Pre-10/2006		Hired Post-10/2006		Hired Post-10/2014	
Service	Retiree	Retiree+	Retiree	Retiree+	Retiree	Retiree+
10 to 14 years	15%	30%	N/A	N/A	N/A	N/A
15 to 19 years	25%	40%	N/A	N/A	N/A	N/A
20 to 24 years	35%	50%	35%	50%	N/A	N/A
25 to 29 years	50%	65%	50%	65%	N/A	N/A
30+ years	60%	75%	60%	75%	N/A	N/A

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Funding Policy – Continued

Retirees are permitted to participate with active employees in the healthcare plan but retirees must pay all premiums (less applicable discounts) assigned to them. The City will continue to apply the applicable discount to surviving spouse/dependents based upon a deceased employee's years of service. Employees hired on or after October 1, 2014 will not be eligible for premium discounts regardless of years of service.

Per the requirements of GASB 74 and GASB 75, the following data is presented.

Plan Membership

At the October 1, 2019 actuarial valuation and measurement date, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	63
Inactive plan members entitled to, but not yet receiving benefit payments	28
Active plan members	769
	860

Investments

Investment policy. The City's policy in regard to the allocation of invested assets is established and may be amended by the City Manager. The City Council appointed the City Manager or her successor or her designee as the City's Plan Administrator. The City Manager selected the balanced, moderately aggressive actively-managed investment option (HighMark PLUS) to provide growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return. The portfolio will be allocated between equity and fixed income investments.

Asset Class	Strategic Range	Target Allocation	9/30/2020 Allocation
Equity	50-70%	60%	60%
Fixed income	30-50%	35%	39%
Cash	0-20%	5%	1%
		100%	100%

Rate of return. For the year ended September 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 7.58%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Investments – Continued

Concentrations. The following investments comprised 5% or more of the OPEB plan's fiduciary net position as of September 30, 2020:

Asset Class	Investment Vehicle	% of Portfolio
Equity	Vanguard Growth & Income Adm	15.28%
Equity	Dodge & Cox Stock Fund	5.11%
Equity	Columbia Contrarian Core Inst 3	6.72%
Equity	Hartford Schroders Emerging Mkts Eq	5.08%
Fixed Income	Vanguard Short-Term Corp Investment Grade	6.99%
Fixed Income	PGIM Total Return Bond R6	10.66%
Fixed Income	PIMCO Total Rturn Instl Fund	10.64%
Fixed Income	DoubleLine Core Fixed Income I	10.63%

Net OPEB Liability of the City

The components of the net OPEB liability of the City at September 30 were as follows:

	2020	2019
Total OPEB liability	$ 20,715,465	$ 19,126,287
Plan fiduciary net position	(8,703,542)	(7,413,365)
City's net OPEB liability	$ 12,011,923	$ 11,712,922
Plan fiduciary net position as a percent of the total OPEB liability	42.01%	38.76%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets, consistent with the long-term perspective of the calculations.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Actuarial Methods and Assumptions – Continued

An actuarial valuation was performed as of October 1, 2019 using the entry age normal actuarial cost method. The liability was then projected forward to the measurement date of September 30, 2020. The actuarial assumptions include:

Inflation	2.5% per annum
Salary increases	3.00% per annum
Investment rate of return	7.50%
Healthcare cost trend rates	10.87% with annual increases/decreases to an ultimate rate of 3.60% in 2042
Dental cost trend rates	3.00%

Mortality rates were based on the sex distinct PUB 2010 general employee/retiree headcount weighted mortality table with mortality improvements scale MP-2019. The plan has not had a formal actuarial experience study performed.

The expected return of each asset class is determined through a combination of historical rates of return, valuation projections, and economic expectations. Expected rates of return are developed and annually reviewed by HighMark's Asset Allocation Committee. The long-term expected rate of return on OPEB plan investments is then calculated by weighting the returns for each asset class according to the exposure as determined by the current strategic allocation. The anticipated long-term rate of return is 6.71% with an expected standard deviation of 9.55%. Anticipated long-term returns by asset class are not available.

Discount rate. The discount rate used to measure the total OPEB liability was 7.5%. The projection of cash flows used to determine the discount rate assumed the City contributions will be made at rates at least equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current discount rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Net OPEB liability	$ 14,643,517	$ 12,011,923	$ 7,376,853

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Actuarial Methods and Assumptions – Continued

Sensitivity of the OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
Net OPEB liability	$ 8,769,842	$ 12,011,923	$ 15,484,791

Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 9/30/2019	$ 19,126,287	$ 7,413,365	$ 11,712,922
Changes for the year:			
Service cost	267,668	-	267,668
Interest	1,379,257	-	1,379,257
Change of benefit terms	-	-	-
Difference between expected and actual experience	(627,155)	-	(627,155)
Changes of assumptions	1,322,815	-	1,322,815
Difference in expected and actual net investment income	-	11,026	(11,026)
Contributions - employer	-	1,455,171	(1,455,171)
Contributions - other	276,885	276,885	-
Net investment income	-	577,387	(577,387)
Benefit payments, including refunds of employee contributions	(898,811)	(898,811)	-
Administrative expense	(131,481)	(131,481)	-
Net changes	1,589,178	1,290,177	299,001
Balance at 9/30/2020	$ 20,715,465	$ 8,703,542	$ 12,011,923

Assumption Changes. Since the prior valuation, the mortality tables were updated to the new sex distinct headcount weighted PUB-2010 general employees/retirees mortality tables, recently released by the SOA and based upon public plan experience only. Also, the mortality improvement scale was updated to use the MP-2019 table.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of $1,352,033.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 46,433	$ -
Changes in actuarial assumptions	814,585	-
Difference between projected and actual investment earnings	142,337	-
Total	$ 1,003,355	$ -

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	Net Deferred Outflows/(Inflows) of Resources
2021	$ 282,495
2022	282,496
2023	142,430
2024	97,174
2025	99,380
2026	99,380
Total	$ 1,003,355

NOTE 11. SUBSEQUENT EVENT

COVID-19

The extent of the operational and financial impact the COVID-19 pandemic may have on the City has yet to be determined and is dependent on its duration and spread, any related operational restrictions, and the overall economy. The City is unable to accurately predict how COVID-19 will affect the results of its operations because the virus's severity and the duration of the pandemic are uncertain.

THE CITY OF
EULESS

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EULESS, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE MEASUREMENT YEAR ENDED DECEMBER 31

	2019*	2018*	2017*	2016*	2015*	2014*
Total pension liability						
Service cost	$ 5,375,963	$ 5,253,722	$ 5,149,378	$ 4,868,631	$ 4,539,237	$ 4,331,759
Interest (on the total pension liability)	14,557,634	13,864,487	13,129,452	12,462,429	12,302,430	11,698,243
Difference in expected and actual experience	(171,396)	(206,128)	169,296	(361,966)	(579,992)	(752,184)
Change in assumptions	145,747	-	-	-	(595,757)	-
Benefit payments, including refunds of employee contributions	(9,652,090)	(7,756,635)	(7,465,146)	(6,990,135)	(6,911,946)	(6,588,671)
Net change in total pension liability	10,255,858	11,155,446	10,982,980	9,978,959	8,753,972	8,689,147
Total pension liability, beginning of year	217,806,715	206,651,269	195,668,289	185,689,330	176,935,358	168,246,211
Total pension liability, ending of year	$ 228,062,573	$ 217,806,715	$ 206,651,269	$ 195,668,289	$ 185,689,330	$ 176,935,358
Plan fiduciary net position						
Contributions - employer	$ 5,192,816	$ 5,146,736	$ 5,027,855	$ 4,691,585	$ 4,644,735	$ 4,787,533
Contributions - employee	2,077,001	2,023,998	1,981,736	1,877,709	1,801,285	1,789,251
Net investment income	28,704,340	(5,754,957)	23,456,668	10,748,002	235,212	8,631,343
Benefit payments, including refunds of employee contributions	(9,652,090)	(7,756,635)	(7,465,146)	(6,990,135)	(6,911,946)	(6,588,671)
Administrative expense	(162,161)	(111,206)	(121,542)	(121,371)	(143,262)	(90,113)
Other	(4,871)	(5,810)	(6,160)	(6,539)	(7,076)	(7,409)
Net change in plan fiduciary net position	26,155,035	(6,457,874)	22,873,411	10,199,251	(381,052)	8,521,934
Plan fiduciary net position - beginning	185,632,754	192,090,628	169,217,217	159,017,966	159,399,018	150,877,084
Plan fiduciary net position - ending	$ 211,787,789	$ 185,632,754	$ 192,090,628	$ 169,217,217	$ 159,017,966	$ 159,399,018
Net pension liability - ending	$ 16,274,784	$ 32,173,961	$ 14,560,641	$ 26,451,072	$ 26,671,364	$ 17,536,340
Plan fiduciary net position as a % of total pension liability	92.86%	85.23%	92.95%	86.48%	85.64%	90.09%
Covered payroll	$ 29,619,629	$ 28,914,263	$ 28,308,838	$ 26,824,411	$ 25,732,638	$ 25,560,729
Net pension liability as a % of covered payroll	54.95%	111.27%	51.44%	98.61%	103.65%	68.61%

* The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF EULESS, TEXAS
SCHEDULE OF CONTRIBUTIONS – PENSION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	2020*	2019*	2018*	2017*	2016*	2015*
Actuarially determined contributions	$ 5,532,423	$ 5,174,020	$ 5,094,779	$ 4,971,811	$ 4,670,520	$ 4,602,538
Actual contributions	(5,532,423)	(5,174,020)	(5,094,779)	(4,971,811)	(4,670,520)	(4,602,538)
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 31,348,108	$ 29,411,252	$ 28,640,420	$ 28,113,691	$ 26,464,297	$ 25,453,407
Ratio of actual contributions to covered payroll amount	17.70% and 17.51%	17.80% and 17.51%	17.76% and 17.80%	17.49% and 17.76%	18.05% and 17.49%	18.73% and 18.05%

* The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule

Valuation Date	Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 13 months later

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

CITY OF EULESS, TEXAS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	2020*	2019*	2018*	2017*
Total OPEB liability				
Service cost	$ 267,668	$ 435,930	$ 447,155	$ 75,083
Interest on total OPEB liability	1,379,257	1,360,548	1,271,483	825,331
Effect of changes of benefit terms	-	-	-	-
Effect of difference between expected and actual experience	(627,155)	-	1,459,988	432,425
Contributions - other	276,885	270,205	-	-
Effect of changes of assumptions	1,322,815	-	(798,143)	5,480,748
Administrative expense	(131,481)	(135,119)	-	-
Benefit payments	(898,811)	(1,019,931)	(1,230,281)	(1,332,839)
Net change in OPEB liability	1,589,178	911,633	1,150,202	5,480,748
Beginning balance	19,126,287	18,214,654	17,064,452	11,583,704
Ending balance	$ 20,715,465	$ 19,126,287	$ 18,214,654	$ 17,064,452
Plan fiduciary net position				
Contributions - employer	$ 1,455,171	$ 1,583,715	$ 1,754,093	$ 1,832,839
Contributions - other	276,885	270,205	320,471	-
Net investment income	577,387	502,656	381,824	559,716
Difference in expected and actual net investment income	11,026	(226,279)	-	-
Benefit payments	(898,811)	(1,019,931)	(1,230,281)	(1,332,839)
Administrative expense	(131,481)	(135,119)	(147,597)	(13,525)
Net change in plan fiduciary net position	1,290,177	975,247	1,078,510	1,046,191
Beginning balance	7,413,365	6,438,118	5,359,608	4,313,417
Ending balance	$ 8,703,542	$ 7,413,365	$ 6,438,118	$ 5,359,608
City's net OPEB liability ending	$ 12,011,923	$ 11,712,922	$ 11,776,536	$ 11,704,844
Plan fiduciary net position as a % of the total OPEB liability	42%	39%	35%	31%
Covered employee payroll	$ 31,348,108	$ 29,411,252	$ 28,640,420	$ 25,944,080
City's net OPEB liability as a % of covered employee payroll	38%	40%	41%	45%

* This schedule is presented to illustrate the requirement to show ten years of information. However, until a full ten-year trend is available, the schedule will present the information that is available.

CITY OF EULESS, TEXAS
SCHEDULE OF CONTRIBUTIONS – OPEB TRUST
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

Schedule of City OPEB Contributions	2020*	2019*	2018*	2017*
Actuarially determined contribution	$ 1,388,216	$ 1,486,177	$ 1,492,738	$ 1,226,144
Contributed in relation to the actuarially determined contribution	1,455,171	1,583,715	1,754,093	1,832,839
Contribution deficiency (excess)	$ (66,955)	$ (97,538)	$ (261,355)	$ (606,695)
Covered employee payroll	$31,348,108	$29,411,252	$28,640,420	$25,944,080
Contributions as a percentage of covered employee payroll	4.6%	5.4%	6.1%	7.1%

* This schedule is presented to illustrate the requirement to show ten years of information. However, until a full ten-year trend is available, the schedule will present the information that is available.

Notes to Schedule

Significant assumptions used in preparation of actuarial valuation

Valuation date	10/1/2019 (rolled forward to 9/30/2020)
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Method
Remaining amortization period	27 years - closed period
Amortization period for new losses	25-year closed period
Asset valuation method	Market value
Discount rate	7.5%
Inflation	2.5%
Healthcare cost trend rates	10.87% declining annually to 3.6% in 2042+
Dental cost trend rates	3.0% per annum
Salary increases including inflation	3.00%
Long-term investment rate of return, net of investment expense	7.5%
Retirement age	Varies with age and service level
Mortality	Sex distinct PUB 2010 general employee mortality tables with mortality improvements scale MP-2019

CITY OF EULESS, TEXAS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
General property tax				
Current and delinquent taxes	$ 17,123,713	$ 17,123,713	$ 17,071,898	$ (51,815)
Penalty and interest	50,000	50,000	77,331	27,331
Total property tax	17,173,713	17,173,713	17,149,229	(24,484)
Gross receipts and mixed beverage tax				
Telephone line access fee	50,000	50,000	156,923	106,923
Electric company	1,700,266	1,700,266	1,642,652	(57,614)
Gas company	415,000	415,000	343,734	(71,266)
Cable TV	425,000	425,000	318,144	(106,856)
City garbage service	275,000	275,000	280,514	5,514
Water and wastewater system	1,302,654	1,302,654	1,369,262	66,608
Others	211,390	211,390	169,391	(41,999)
Total gross receipts and mixed beverage tax	4,379,310	4,379,310	4,280,620	(98,690)
General sales tax	13,252,272	13,252,272	13,453,639	201,367
Fines and fees				
Municipal court fines	2,282,050	2,282,050	1,698,927	(583,123)
Jail income	200,000	200,000	160,053	(39,947)
Dog licenses and pound fees	7,500	7,500	6,610	(890)
Ambulance fees	850,000	850,000	860,058	10,058
Library fees	5,100	5,100	2,146	(2,954)
Zoning fees	20,000	20,000	18,930	(1,070)
Deferred adjudication fee	125,000	125,000	88,326	(36,674)
Total fines and fees	3,489,650	3,489,650	2,835,050	(654,600)
Licenses and permits				
Building permits	300,000	300,000	1,330,340	1,030,340
Miscellaneous permits	289,500	289,500	274,762	(14,738)
Minimum housing	65,000	65,000	68,041	3,041
Total licenses and permits	654,500	654,500	1,673,143	1,018,643
Investment income	255,000	255,000	263,648	8,648
Intergovernmental	428,850	428,850	379,728	(49,122)
Other revenues				
Rental income	584,224	584,224	826,965	242,741
Swimming pools	185,000	185,000	3,045	(181,955)
Miscellaneous income	213,040	213,040	422,443	209,403
Total other revenues	982,264	982,264	1,252,453	270,189
Total revenues	40,615,559	40,615,559	41,287,510	671,951

CITY OF EULESS, TEXAS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020

(Continued)

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Culture and recreation	$ 3,568,172	$ 3,568,172	$ 3,052,695	$ 515,477
Development services	805,158	805,158	753,251	51,907
General and administrative	14,127,466	14,329,088	12,215,431	2,113,657
Highways and streets	1,393,916	1,393,916	1,095,732	298,184
Public safety	26,187,843	26,187,843	22,530,086	3,657,757
Total expenditures	46,082,555	46,284,177	39,647,195	6,636,982
Excess (deficiency) of revenues over (under) expenditures	(5,466,996)	(5,668,618)	1,640,315	7,308,933
Other financing sources (uses)				
Proceeds from sale of assets	5,000	5,000	16,735	11,735
Transfers in	2,974,949	2,974,949	3,041,682	66,733
Transfers out	(1,449,024)	(1,247,402)	(1,453,841)	(206,439)
Total other financing sources (uses), net	1,530,925	1,732,547	1,604,576	(127,971)
Net change in fund balance	(3,936,071)	(3,936,071)	3,244,891	7,180,962
Fund balance, beginning of year	16,973,615	16,973,615	16,973,615	-
Fund balance, end of year	$ 13,037,544	$ 13,037,544	$ 20,218,506	$ 7,180,962

CITY OF EULESS, TEXAS
BUDGETARY COMPARISON SCHEDULE
CAR RENTAL SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Car rental tax	$ 14,675,131	$ 14,675,131	$ 10,042,659	$ (4,632,472)
Investment income	165,000	165,000	116,378	(48,622)
Total revenues	14,840,131	14,840,131	10,159,037	(4,681,094)
Expenditures				
General and administrative	9,883,421	9,883,421	6,680,181	3,203,240
Capital outlay	627,339	627,339	167,562	459,777
Total expenditures	10,510,760	10,510,760	6,847,743	3,663,017
Excess of revenues over expenditures	4,329,371	4,329,371	3,311,294	(1,018,077)
Other financing sources (uses)				
Proceeds from sale of assets	-	-	425	425
Transfers out	(4,933,643)	(5,483,643)	(5,483,643)	-
Total other financing sources (uses)	(4,933,643)	(5,483,643)	(5,483,218)	425
Net change in fund balance	(604,272)	(1,154,272)	(2,171,924)	(1,017,652)
Fund balance, beginning of year	4,362,191	4,362,191	4,362,191	-
Fund balance, end of year	$ 3,757,919	$ 3,207,919	$ 2,190,267	$ (1,017,652)

NOTE 1. BUDGET BASIS OF ACCOUNTING

The City Council adheres to the following procedures in establishing budgetary data reflected in the financial statements:

1. Prior to August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and expenses and means of financing them.

2. Public hearings are conducted to obtain taxpayers' comments.

3. Prior to September 30, the budget is legally enacted through passage of an ordinance and a budgetary report is prepared.

4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revision that alters the total expenditures or expenses of any fund must be approved by the City Council. The budget presented reflects revisions made during the year. The legal level of control is at the fund level.

5. A budget is legally adopted for the general fund and special revenue funds on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds. Appropriations and encumbrances lapse at year-end.

6. Formal budgetary integration is not employed for the debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.

7. Budgetary data for the capital projects funds has not been presented in the accompanying basic financial statements as such funds are budgeted over the life of the respective projects and not on an annual basis. Accordingly, formal budgetary integration of the capital projects funds is not employed and comparison of actual results of operations to budgetary data for such funds is not presented.

8. Appropriated budgets for the proprietary funds are also adopted but have not been presented since reporting on such budgets is not legally required.

The Budgetary Comparison Schedules – general fund and car rental tax special revenue fund present a comparison of budgetary data to actual results. These funds utilize the same basis of accounting for both budgetary purposes and actual results.

THE CITY OF
EULESS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Hotel/Motel Fund – to account for the operations and expenditures for which hotel/motel occupancy taxes are used. Occupancy tax revenues are used primarily for advertising and promotion of the City.

Half-Penny Sales Tax Fund – to account for the sales tax revenues and expenditures of the Euless Development Corporation, a component unit of the City of Euless. The revenues can only be spent on parks, library, debt service, and economic development activities with the City of Euless.

Police Drug Enforcement Fund – to account for proceeds from the sale of assets seized in connection with drug arrests. Revenues are used solely for police department expenditures.

Crime Control and Prevention District Fund – to account for the revenues and expenditures of this component unit of the City of Euless. The revenues are collected from sales taxes and expenditures can only be spent for police department operations and capital as approved by the Crime Control and Prevention District Board.

Grant Fund – to account for grant revenues received by the City, which must be spent in accordance with the grant provisions.

Police Seized Asset Fund – to account for resources received from asset forfeiture pursuant to court judgment File No. 09-13-640 to be administered in compliance with Chapter 59, Texas Code of Criminal Procedure.

Juvenile Case Fund – to account for a fee added to municipal court citations. This fee is used to support the expenditures associated with juvenile case processing.

Glade Parks Public Improvement District (PID) Fund – to account for the accumulation of resources from an assessment levied upon properties within the district boundaries. The resources are utilized for the repayment of debt issued to fund public improvements within the district. The district assesses property owners only for the portion of the debt payment not covered with resources of the Glade Parks TIRZ #3.

Tax Increment Reinvestment Zone (TIRZ) #3 – Glade Parks Fund (TIRZ #3) – to account for the accumulation of a portion of the incremental property taxes from taxing entities participating in the tax increment reinvestment zone. The resources are used for the repayment of debt issued to fund public improvements within the zone.

NON-MAJOR GOVERNMENTAL FUNDS – Continued

Midtown Public Improvement District (PID) Fund – to account for the accumulation of resources from an assessment levied upon properties within the district boundaries. The resources are utilized for the repayment of debt issued to fund public improvements within the district.

Midtown TIRZ #4 Fund – to account for the accumulation of a portion of the incremental property taxes from taxing entities participating in the tax increment reinvestment zone. The resources are used for the repayment of debt issued to fund public improvements within the zone.

Cable PEG Fees Fund – to account for a 1% fee collected from cable channel providers for expansion of the city's public, educational, and governmental access channel.

CAPITAL PROJECTS FUNDS

Half-Penny Sales Tax CIP Fund – to account for bond proceeds and sales tax receipts to be expended for capital projects funded by the Euless Development Corporation, a component unit of the City of Euless.

Developers' Contribution Fund – to account for funds received for the purpose of making new and future improvements to various development areas within the City.

General CIP Fund – to account for various general construction projects within the City.

Redevelopment CIP Fund – to account for land acquisition and revitalization projects designed to enhance development and promote redevelopment throughout the community.

Midtown Reserve Fund – to account for resources used to establish the initial debt reserve fund per the Midtown construction, funding, and development agreement.

TIRZ #4 Midtown CIP Fund – to account for construction projects and the means of financing such projects within the development area generally known as Euless Midtown.

Car Rental CIP Fund – to account for the building and infrastructure projects that are funded from the short-term motor vehicle rental tax.

CITY OF EULESS, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue Funds				
	Hotel/ Motel Fund	Half-Penny Sales Tax Fund	Police Drug Enforce-ment Fund	Crime Control and Prevention District Fund	Grant Fund
ASSETS					
Deposits and investments	$ 575,964	$ 3,229,780	$ 532,334	$ 695,933	$ -
Accounts receivable	148,531	-	-	-	24,794
Property taxes receivable	-	-	-	-	-
Accrued interest receivable	-	170	-	-	-
Due from other governments	-	968,620	-	482,705	-
Prepaids	-	-	-	-	-
Restricted deposits and investments	-	-	-	-	-
Total assets	$ 724,495	$ 4,198,570	$ 532,334	$ 1,178,638	$ 24,794
LIABILITIES					
Accounts payable	$ 148,059	$ 164,585	$ -	$ 53,278	$ 23,092
Accrued salaries and wages	-	35,307	-	41,827	1,291
Total liabilities	148,059	199,892	-	95,105	24,383
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted, debt service	-	402,334	-	-	-
Restricted, capital projects	-	-	-	-	-
Restricted, developer agreements	-	-	-	-	-
Restricted, juvenile case management	-	-	-	-	-
Restricted, cable PEG fees	-	-	-	-	-
Restricted, historical preservation	1,245	-	-	-	-
Assigned	575,191	3,596,344	532,334	1,083,533	411
Total fund balances	576,436	3,998,678	532,334	1,083,533	411
Total liabilities, deferred inflows of resources, and fund balances	$ 724,495	$ 4,198,570	$ 532,334	$ 1,178,638	$ 24,794

Special Revenue Funds								
Police Seized Assets Fund	Juvenile Case Fund	Glade Parks PID Fund	TIRZ #3 Glade Parks Fund	Midtown PID Fund	Midtown TIRZ #4 Fund	Cable PEG Fees Fund	Special Revenue Funds Total
$ 255,388	$ 281,776	$ 750,000	$ 1,745,688	$ 128,760	$ 91,067	$ 584,557	$ 8,871,247
-	4,423	-	73,908	-	6,739	25,000	283,395
-	-	-	34,758	-	29,217	-	63,975
-	-	-	-	-	-	-	170
-	-	-	-	-	-	-	1,451,325
-	-	-	-	-	-	440	440
-	-	-	-	-	-	-	-
$ 255,388	$ 286,199	$ 750,000	$ 1,854,354	$ 128,760	$ 127,023	$ 609,997	$ 10,670,552
$ -	$ 22,505	$ -	$ -	$ 4,210	$ -	$ 1,335	$ 417,064
730	1,610	-	-	-	-	-	80,765
730	24,115	-	-	4,210	-	1,335	497,829
-	4,448	-	-	-	-	-	4,448
-	4,448	-	-	-	-	-	4,448
-	-	-	-	-	-	440	440
-	-	750,000	-	-	-	-	1,152,334
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	257,636	-	-	-	-	-	257,636
-	-	-	-	-	-	608,222	608,222
-	-	-	-	-	-	-	1,245
254,658	-	-	1,854,354	124,550	127,023	-	8,148,398
254,658	257,636	750,000	1,854,354	124,550	127,023	608,662	10,168,275
$ 255,388	$ 286,199	$ 750,000	$ 1,854,354	$ 128,760	$ 127,023	$ 609,997	$ 10,670,552

CITY OF EULESS, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Capital Project Funds			
	Half-Penny Sales Tax CIP Fund	Developers' Contribution Fund	General CIP Fund	Redevelopment CIP Fund
ASSETS				
Deposits and investments	$ 1,569,026	$ 2,216,681	$ 2,112,955	$ 1,434,757
Accounts receivable	-	-	4,586	-
Property taxes receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other governments	-	-	-	-
Prepaids	-	-	-	-
Restricted deposits and investments	2,646,639	-	7,236,008	-
Total assets	$ 4,215,665	$ 2,216,681	$ 9,353,549	$ 1,434,757
LIABILITIES				
Accounts payable	$ 965,252	$ 2,400	$ 84,248	$ 37,182
Accrued salaries and wages	-	-	-	-
Total liabilities	965,252	2,400	84,248	37,182
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted, debt service	-	-	-	-
Restricted, capital projects	2,646,639	-	7,236,008	-
Restricted, developer agreements	-	2,214,281	-	-
Restricted, juvenile case management	-	-	-	-
Restricted, cable PEG fees	-	-	-	-
Restricted, historical preservation	-	-	-	-
Assigned	603,774	-	2,033,293	1,397,575
Total fund balances	3,250,413	2,214,281	9,269,301	1,397,575
Total liabilities, deferred inflows of resources, and fund balances	$ 4,215,665	$ 2,216,681	$ 9,353,549	$ 1,434,757

Capital Project Funds				
Midtown Reserve Fund	TIRZ #4 Midtown CIP Fund	Car Rental CIP Fund	Capital Project Funds Totals	Total Non-major Governmental Funds
$ -	$ -	$ 2,793,406	$ 10,126,825	$ 18,998,072
-	-	3,000	7,586	290,981
-	-	-	-	63,975
-	-	4,858	4,858	5,028
-	-	-	-	1,451,325
-	-	24,433	24,433	24,873
999,725	69,475	-	10,951,847	10,951,847
$ 999,725	$ 69,475	$ 2,825,697	$ 21,115,549	$ 31,786,101
$ -	$ -	$ 512,145	$ 1,601,227	$ 2,018,291
-	-	-	-	80,765
-	-	512,145	1,601,227	2,099,056
-	-	-	-	4,448
-	-	-	-	4,448
-	-	24,433	24,433	24,873
-	-	-	-	1,152,334
999,725	69,475	-	10,951,847	10,951,847
-	-	-	2,214,281	2,214,281
-	-	-	-	257,636
-	-	-	-	608,222
-	-	-	-	1,245
-	-	2,289,119	6,323,761	14,472,159
999,725	69,475	2,313,552	19,514,322	29,682,597
$ 999,725	$ 69,475	$ 2,825,697	$ 21,115,549	$ 31,786,101

CITY OF EULESS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds				
	Hotel/ Motel Fund	Half-Penny Sales Tax Fund	Police Drug Enforce-ment Fund	Crime Control and Prevention District Fund	Grant Fund
Revenues					
General property tax	$ -	$ -	$ -	$ -	$ -
Gross receipts tax	924,551	-	-	-	-
General sales tax	-	5,521,314	-	2,763,765	-
Investment income	5,830	24,280	4,313	7,720	-
DEA revenues	-	-	13,678	-	-
Intergovernmental	-	-	-	-	3,198,481
Rents and royalties	-	73,580	-	-	-
Other revenues	-	-	-	-	-
Total revenues	930,381	5,619,174	17,991	2,771,485	3,198,481
Expenditures					
Culture and recreation	-	3,477,630	-	-	2,000
Development services	-	273,347	-	-	-
General and administrative	280,589	211,600	-	-	-
Highways and streets	-	-	-	-	-
Public safety	-	-	414	2,557,879	3,209,089
Debt service					
Principal	-	235,000	-	-	-
Interest and fiscal charges	-	156,190	-	-	-
Capital outlay	137,000	341,881	10,705	425,942	18,986
Total expenditures	417,589	4,695,648	11,119	2,983,821	3,230,075
Excess (deficiency) of revenues over (under) expenditures	512,792	923,526	6,872	(212,336)	(31,594)
Other financing sources (uses)					
Issuance of debt	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Proceeds from sale of assets	-	1,670	-	-	-
Transfers in	-	-	-	-	31,192
Transfers out	(445,713)	(442,231)	-	-	-
Total other financing sources (uses)	(445,713)	(440,561)	-	-	31,192
Net change in fund balances	67,079	482,965	6,872	(212,336)	(402)
Fund balance, beginning of year	509,357	3,515,713	525,462	1,295,869	813
Fund balance, end of year	$ 576,436	$ 3,998,678	$ 532,334	$ 1,083,533	$ 411

Special Revenue Funds							
Police Seized Asset Fund	Juvenile Case Fund	Glade Parks PID Fund	TIRZ #3 Glade Parks Fund	Midtown PID Fund	Midtown TIRZ #4 Fund	Cable PEG Fees Fund	Special Revenue Funds Totals
$ -	$ -	$ -	$ 1,454,842	$ -	$ 97,576	$ -	$ 1,552,418
-	-	-	-	-	-	104,230	1,028,781
-	-	-	320,222	-	29,424	-	8,634,725
2,222	2,197	-	10,057	987	-	6,523	64,129
-	-	-	-	-	-	-	13,678
-	-	-	-	-	-	-	3,198,481
-	-	-	-	-	-	-	73,580
-	55,576	-	-	1,075,865	-	-	1,131,441
2,222	57,773	-	1,785,121	1,076,852	127,000	110,753	15,697,233
-	-	-	-	-	-	-	3,479,630
-	-	-	-	-	-	-	273,347
-	81,014	-	-	15,427	-	47,691	636,321
-	-	-	-	-	-	-	-
25,020	-	-	-	-	-	-	5,792,402
-	-	-	-	-	-	-	235,000
-	-	-	-	-	-	-	156,190
-	-	-	-	-	-	240,474	1,174,988
25,020	81,014	-	-	15,427	-	288,165	11,747,878
(22,798)	(23,241)	-	1,785,121	1,061,425	127,000	(177,412)	3,949,355
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,670
-	-	-	-	-	-	-	31,192
-	-	-	(1,143,966)	(1,024,312)	(51,701)	-	(3,107,923)
-	-	-	(1,143,966)	(1,024,312)	(51,701)	-	(3,075,061)
(22,798)	(23,241)	-	641,155	37,113	75,299	(177,412)	874,294
277,456	280,877	750,000	1,213,199	87,437	51,724	786,074	9,293,981
$ 254,658	$ 257,636	$ 750,000	$ 1,854,354	$ 124,550	$ 127,023	$ 608,662	$ 10,168,275

CITY OF EULESS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Capital Project Funds			
	Half-Penny Sales Tax CIP Fund	Developers' Contribution Fund	General CIP Fund	Redevelopment CIP Fund
Revenues				
General property tax	$ -	$ -	$ -	$ -
Gross receipts tax	-	-	-	-
General sales tax	-	-	-	-
Investment income	40,726	24,575	48,622	13,939
DEA revenues	-	-	-	-
Intergovernmental	-	-	-	-
Rents and royalties	-	-	47,234	-
Other revenues	-	3,564	-	500
Total revenues	40,726	28,139	95,856	14,439
Expenditures				
Culture and recreation	247,285	4,800	1,119	-
Development services	38,430	-	-	-
General and administrative	-	-	-	87,127
Highways and streets	-	-	-	-
Public safety	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	2,450,996	-	594,502	600,880
Total expenditures	2,736,711	4,800	595,621	688,007
Excess (deficiency) of revenues over (under) expenditures	(2,695,985)	23,339	(499,765)	(673,568)
Other financing sources (uses)				
Issuance of debt	4,120,000	-	7,495,000	-
Premium on issuance of debt	238,215	-	220,000	-
Proceeds from sale of assets	-	-	-	100,000
Transfers in	250,000	-	192,224	1,000,000
Transfers out	-	(50,000)	-	-
Total other financing sources (uses)	4,608,215	(50,000)	7,907,224	1,100,000
Net change in fund balances	1,912,230	(26,661)	7,407,459	426,432
Fund balance, beginning of year	1,338,183	2,240,942	1,861,842	971,143
Fund balance, end of year	$ 3,250,413	$ 2,214,281	$ 9,269,301	$ 1,397,575

Capital Project Funds				
Midtown Reserve Fund	TIRZ #4 Midtown CIP Fund	Car Rental CIP Fund	Capital Project Funds Totals	Total Non-major Governmental Funds
$ -	$ -	$ -	$ -	$ 1,552,418
-	-	-	-	1,028,781
-	-	-	-	8,634,725
-	-	60,953	188,815	252,944
-	-	-	-	13,678
-	-	-	-	3,198,481
-	-	-	47,234	120,814
-	-	-	4,064	1,135,505
-	-	60,953	240,113	15,937,346
-	-	-	253,204	3,732,834
-	-	-	38,430	311,777
-	-	5,689	92,816	729,137
-	-	-	-	-
-	-	-	-	5,792,402
-	-	-	-	235,000
-	-	-	-	156,190
-	-	3,626,429	7,272,807	8,447,795
-	-	3,632,118	7,657,257	19,405,135
-	-	(3,571,165)	(7,417,144)	(3,467,789)
-	-	-	11,615,000	11,615,000
-	-	-	458,215	458,215
-	-	-	100,000	101,670
-	-	2,103,820	3,546,044	3,577,236
-	-	(66,250)	(116,250)	(3,224,173)
-	-	2,037,570	15,603,009	12,527,948
-	-	(1,533,595)	8,185,865	9,060,159
999,725	69,475	3,847,147	11,328,457	20,622,438
$ 999,725	$ 69,475	$ 2,313,552	$ 19,514,322	$ 29,682,597

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
HOTEL / MOTEL SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Gross receipts tax	$ 1,214,500	$ 1,214,500	$ 924,551	$ (289,949)
Investment income	15,000	15,000	5,830	(9,170)
Total revenues	1,229,500	1,229,500	930,381	(299,119)
Expenditures				
General and administrative	700,300	775,300	417,589	357,711
Total expenditures	700,300	775,300	417,589	357,711
Excess of revenues over expenditures	529,200	454,200	512,792	58,592
Other financing uses				
Transfers out	(521,807)	(521,807)	(445,713)	76,094
Total other financing uses	(521,807)	(521,807)	(445,713)	76,094
Net change in fund balance	7,393	(67,607)	67,079	134,686
Fund balance, beginning of year	509,357	509,357	509,357	-
Fund balance, end of year	$ 516,750	$ 441,750	$ 576,436	$ 134,686

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
HALF-PENNY SALES TAX SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
General sales tax	$ 5,446,384	$ 5,446,384	$ 5,521,314	$ 74,930
Investment income	20,700	20,700	24,280	3,580
Rents and royalties	73,580	73,580	73,580	-
Total revenues	5,540,664	5,540,664	5,619,174	78,510
Expenditures				
Culture and recreation	4,996,775	4,996,775	3,819,511	1,177,264
Development services	693,257	693,257	273,347	419,910
General and administrative	243,860	243,860	211,600	32,260
Debt service				
Principal	220,000	220,000	235,000	(15,000)
Interest and fiscal charges	222,664	222,664	156,190	66,474
Total expenditures	6,376,556	6,376,556	4,695,648	1,680,908
Excess of revenues over expenditures	(835,892)	(835,892)	923,526	1,759,418
Other financing sources (uses)				
Proceeds from sale of assets	-	-	1,670	1,670
Transfers out	(464,303)	(464,303)	(442,231)	22,072
Total other financing sources (uses), net	(464,303)	(464,303)	(440,561)	23,742
Net change in fund balance	(1,300,195)	(1,300,195)	482,965	1,783,160
Fund balance, beginning of year	3,515,713	3,515,713	3,515,713	-
Fund balance, end of year	$ 2,215,518	$ 2,215,518	$ 3,998,678	$ 1,783,160

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
POLICE DRUG ENFORCEMENT SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	$ 8,500	$ 8,500	$ 4,313	$ (4,187)
DEA revenues	-	-	13,678	13,678
Total revenues	8,500	8,500	17,991	9,491
Expenditures				
Public safety	179,162	179,162	11,119	168,043
Total expenditures	179,162	179,162	11,119	168,043
Net change in fund balance	(170,662)	(170,662)	6,872	177,534
Fund balance, beginning of year	525,462	525,462	525,462	-
Fund balance, end of year	$ 354,800	$ 354,800	$ 532,334	$ 177,534

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CRIME CONTROL AND PREVENTION DISTRICT SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
General sales tax	$ 2,695,960	$ 2,695,960	$ 2,763,765	$ 67,805
Investment income	20,000	20,000	7,720	(12,280)
Total revenues	2,715,960	2,715,960	2,771,485	55,525
Expenditures				
Public safety	3,225,837	3,225,837	2,983,821	242,016
Total expenditures	3,225,837	3,225,837	2,983,821	242,016
Net change in fund balance	(509,877)	(509,877)	(212,336)	297,541
Fund balance, beginning of year	1,295,869	1,295,869	1,295,869	-
Fund balance, end of year	$ 785,992	$ 785,992	$ 1,083,533	$ 297,541

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GRANT SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	$ 126,737	$ 128,737	$ 3,198,481	$ 3,069,744
Total revenues	126,737	128,737	3,198,481	3,069,744
Expenditures				
Culture and recreation	-	2,000	2,000	-
Public safety	141,703	3,230,503	3,228,075	2,428
Total expenditures	141,703	3,232,503	3,230,075	2,428
Deficiency of revenues under expenditures	(14,966)	(3,103,766)	(31,594)	3,072,172
Other financing sources				
Transfers in	14,402	14,402	31,192	16,790
Total other financing sources	14,402	14,402	31,192	16,790
Net change in fund balance	(564)	(3,089,364)	(402)	3,088,962
Fund balance, beginning of year	813	813	813	-
Fund balance, end of year	$ 249	($ 3,088,551)	$ 411	$ 3,088,962

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
POLICE SEIZED ASSETS SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	$ 4,000	$ 4,000	$ 2,222	$ (1,778)
Total revenues	4,000	4,000	2,222	(1,778)
Expenditures				
Public safety	61,506	61,506	25,020	36,486
Total expenditures	61,506	61,506	25,020	36,486
Net change in fund balance	(57,506)	(57,506)	(22,798)	34,708
Fund balance, beginning of year	277,456	277,456	277,456	-
Fund balance, end of year	$ 219,950	$ 219,950	$ 254,658	$ 34,708

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUVENILE CASE SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	$ 5,000	$ 5,000	$ 2,197	$ (2,803)
Other revenues	81,675	81,675	55,576	(26,099)
Total revenues	86,675	86,675	57,773	(28,902)
Expenditures				
General and administrative	122,618	122,618	81,014	41,604
Total expenditures	122,618	122,618	81,014	41,604
Net change in fund balance	(35,943)	(35,943)	(23,241)	12,702
Fund balance, beginning of year	280,877	280,877	280,877	-
Fund balance, end of year	$ 244,934	$ 244,934	$ 257,636	$ 12,702

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
TIRZ #3 GLADE PARKS SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
General property tax	$ 1,477,958	$ 1,477,958	$ 1,454,842	$ (23,116)
General sales tax	363,689	363,689	320,222	(43,467)
Investment income	10,000	10,000	10,057	57
Total revenues	1,851,647	1,851,647	1,785,121	(66,526)
Other financing uses				
Transfers out	(1,143,966)	(1,143,966)	(1,143,966)	-
Total other financing uses	(1,143,966)	(1,143,966)	(1,143,966)	-
Net change in fund balance	707,681	707,681	641,155	(66,526)
Fund balance, beginning of year	1,213,199	1,213,199	1,213,199	-
Fund balance, end of year	$ 1,920,880	$ 1,920,880	$ 1,854,354	$ (66,526)

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
MIDTOWN PID SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other revenues	$ 1,112,248	$ 1,112,248	$ 1,075,865	$ (36,383)
Investment income	-	-	987	987
Total revenues	1,112,248	1,112,248	1,076,852	(35,396)
Expenditures				
General and administrative	37,885	37,885	15,427	22,458
Total expenditures	37,885	37,885	15,427	22,458
Excess of revenues over expenditures	1,074,363	1,074,363	1,061,425	(12,938)
Other financing uses				
Transfers out	(1,024,312)	(1,024,312)	(1,024,312)	-
Total other financing uses	(1,024,312)	(1,024,312)	(1,024,312)	-
Net change in fund balance	50,051	50,051	37,113	(12,938)
Fund balance, beginning of year	87,437	87,437	87,437	-
Fund balance, end of year	$ 137,488	$ 137,488	$ 124,550	$ (12,938)

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
TIRZ #4 MIDTOWN SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property tax revenues	$ 100,009	$ 100,009	$ 97,576	$ (2,433)
General sales tax	-	-	29,424	29,424
Total revenues	100,009	100,009	127,000	26,991
Other financing uses				
Transfers out	(51,701)	(51,701)	(51,701)	-
Total other financing uses	(51,701)	(51,701)	(51,701)	-
Net change in fund balance	48,308	48,308	75,299	26,991
Fund balance, beginning of year	51,724	51,724	51,724	-
Fund balance, end of year	$ 100,032	$ 100,032	$ 127,023	$ 26,991

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CABLE PEG FEES SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Gross receipts tax	$ 111,000	$ 111,000	$ 104,230	$ (6,770)
Investment income	12,000	12,000	6,523	(5,477)
Total revenues	123,000	123,000	110,753	(12,247)
Expenditures				
General and administrative	60,000	60,000	47,691	12,309
Capital outlay	266,794	266,794	240,474	26,320
Total expenditures	326,794	326,794	288,165	38,629
Net change in fund balance	(203,794)	(203,794)	(177,412)	26,382
Fund balance, beginning of year	786,074	786,074	786,074	-
Fund balance, end of year	$ 582,280	$ 582,280	$ 608,662	$ 26,382

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Equipment Replacement Fund – to account for the accumulation of funds to be used for replacement of existing equipment. Funding is provided annually by the user departments.

Insurance Fund – to account for the revenues and expenses resulting from providing health insurance to the City's employees.

Risk Management/Workers' Compensation (Risk/WC) Fund – to account for the revenue and expenses applicable to providing workers' compensation coverage for all City employees, as well as, general liability and property coverage.

CITY OF EULESS, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020

	Equipment Replacement Fund	Insurance Fund	Risk/WC Fund	Total
ASSETS				
Deposits and investments	$ 10,338,457	$ 6,331,993	$ 2,444,932	$ 19,115,382
Accounts receivable	-	25,251	127,242	152,493
Accrued interest receivable	6,952	1,097	-	8,049
Restricted deposits and investments	700,000			700,000
Total current assets	11,045,409	6,358,341	2,572,174	19,975,924
Property, plant, and equipment, at cost				
Equipment	15,230,606	-	170,157	15,400,763
Less accumulated depreciation	9,752,613	-	67,703	9,820,316
Net property, plant, and equipment	5,477,993	-	102,454	5,580,447
Total assets	16,523,402	6,358,341	2,674,628	25,556,371
LIABILITIES				
Accounts payable	52,590	32,792	404,576	489,958
Accrued salary and wages	-	2,210	1,520	3,730
Current portion of compensated absences	-	403	158	561
Accrued insurance claims	-	639,000	2,843	641,843
Total current liabilities	52,590	674,405	409,097	1,136,092
Compensated absences	-	3,624	1,419	5,043
Total non-current liabilities	-	3,624	1,419	5,043
Total liabilities	52,590	678,029	410,516	1,141,135
NET POSITION				
Net investment in capital assets	5,477,993	-	102,454	5,580,447
Restricted for capital projects	700,000			700,000
Unrestricted	10,292,819	5,680,312	2,161,658	18,134,789
Total net position	$ 16,470,812	$ 5,680,312	$ 2,264,112	$ 24,415,236

CITY OF EULESS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Equipment Replacement Fund	Insurance Fund	Risk/WC Fund	Total
Operating revenues				
Insurance premiums	$ -	$ 6,089,087	$ 509,775	$ 6,598,862
Service fees and miscellaneous	6,372,970	870,540	-	7,243,510
Total operating revenues	6,372,970	6,959,627	509,775	13,842,372
Operating expenses				
General and administrative	64,568	1,640,434	84,856	1,789,858
Insurance costs	-	4,361,154	713,188	5,074,342
Depreciation	1,425,236	-	16,010	1,441,246
Total operating expenses	1,489,804	6,001,588	814,054	8,305,446
Operating income (loss)	4,883,166	958,039	(304,279)	5,536,926
Nonoperating revenues				
Gain on sale of capital assets	48,499	-	-	48,499
Investment income	103,128	64,964	16,741	184,833
Total nonoperating revenues	151,627	64,964	16,741	233,332
Income (loss) before transfers	5,034,793	1,023,003	(287,538)	5,770,258
Transfers				
Transfers in	1,049,253	-	484,000	1,533,253
Net transfers	1,049,253	-	484,000	1,533,253
Change in net position	6,084,046	1,023,003	196,462	7,303,511
Net position, beginning of year	10,386,766	4,657,309	2,067,650	17,111,725
Net position, end of year	$ 16,470,812	$ 5,680,312	$ 2,264,112	$ 24,415,236

CITY OF EULESS, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Equipment Replacement Fund	Insurance Fund	Risk/WC Fund	Total
OPERATING ACTIVITIES				
Cash received from customers	$ 6,372,970	$ 6,974,446	$ 435,383	$ 13,782,799
Cash payments to suppliers for goods and services	(11,978)	(5,642,159)	(605,809)	(6,259,946)
Cash payments to employees for services	-	(85,943)	(66,847)	(152,790)
Net cash provided by (used in) operating activities	6,360,992	1,246,344	(237,273)	7,370,063
NONCAPITAL FINANCING ACTIVITIES				
Transfers in	1,049,253	-	484,000	1,533,253
Net cash provided by noncapital financing activities	1,049,253	-	484,000	1,533,253
CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(1,330,990)	-	-	(1,330,990)
Proceeds from sale of capital assets	67,177	-	-	67,177
Net cash used in capital and related financing activities	(1,263,813)	-	-	(1,263,813)
INVESTING ACTIVITIES				
Interest received on investments	105,832	71,647	16,741	194,220
Net cash provided by investing activities	105,832	71,647	16,741	194,220
Net increase in cash and cash equivalents	6,252,264	1,317,991	263,468	7,833,723
Cash and cash equivalents, beginning of year	4,786,193	5,014,002	2,181,464	11,981,659
Cash and cash equivalents, end of year	$ 11,038,457	$ 6,331,993	$ 2,444,932	$ 19,815,382
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ 4,883,166	$ 958,039	$ (304,279)	$ 5,536,926
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	1,425,236	-	16,010	1,441,246
Change in assets and liabilities				
Receivables	-	14,819	(74,390)	(59,571)
Prepaids	-	62,157	-	62,157
Accounts payable	52,590	9,517	127,534	189,641
Accrued salaries and wages	-	(4,188)	(2,148)	(6,336)
Accrued insurance claims	-	206,000	-	206,000
Net cash provided by (used in) operating activities	$ 6,360,992	$ 1,246,344	$ (237,273)	$ 7,370,063
Reconciliation of cash to balance sheet:				
Cash - current	$ 10,338,457	$ 6,331,993	$ 2,444,932	$ 19,115,382
Cash - restricted	700,000	-	-	700,000
Cash and cash equivalents	$ 11,038,457	$ 6,331,993	$ 2,444,932	$ 19,815,382

CITY OF EULESS, TEXAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
STAR CENTER ESCROW AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2020

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
Stars Center Escrow Fund				
Assets				
Investments at fair value	$ 1,428,593	$ 33,465	$ (144,051)	$ 1,318,007
Receivables	-	123,750	(20,625)	103,125
Total assets	$ 1,428,593	$ 157,215	$ (164,676)	$ 1,421,132
Liabilities				
Due to other entities	$ 1,420,547	$ -	$ -	$ 1,420,547
Refunds payable	8,046	585	(8,046)	585
Total liabilities	$ 1,428,593	$ 585	$ (8,046)	$ 1,421,132

THE CITY OF
EULESS

STATISTICAL SECTION
(Unaudited)

STATISTICAL SECTION
(Unaudited)

The statistical section of the City of Euless' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Tables
Financial Trends The financial trend schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1-4
Revenue Capacity The revenue capacity schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	5-8
Debt Capacity The debt capacity schedules present information to help the reader assess the affordability of the City's current level of outstanding debt (including that of its blended component units) and the City's ability to issue additional debt in the future.	9-13
Demographic and Economic Information The demographic and economic schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities occur.	14-15
Operating Information The operating information schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services it provides and the activities it performs.	16-18

CITY OF EULESS, TEXAS
NET POSITION BY COMPONENT – LAST TEN FISCAL YEARS
(Accrual Basis of Accounting – Unaudited)

Table 1

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	$ 71,051,094	$ 77,828,950	$ 88,228,282	$ 94,162,906	$ 99,539,958	$ 108,135,655	$ 113,509,089	$ 112,710,338	$ 99,744,023	$ 104,018,729
Restricted	1,818,957	4,426,819	4,138,774	4,999,085	5,666,450	17,508,943	10,293,057	13,620,993	26,158,342	30,103,225
Unrestricted	31,448,528	27,192,202	24,910,579	23,921,387	17,302,574	3,610,521	12,466,943	10,698,663	18,071,669	25,147,659
Total governmental activities net position	$ 104,318,579	$ 109,447,971	$ 117,277,635	$ 123,083,378	$ 122,508,982	$ 129,255,119	$ 136,269,089	$ 137,029,994	$ 143,974,034	$ 159,269,613
Business-type activities										
Net investment in capital assets	$ 53,132,882	$ 52,202,849	$ 52,334,570	$ 55,160,900	$ 55,396,268	$ 59,184,256	$ 62,421,284	$ 63,283,054	$ 65,621,697	$ 66,554,698
Restricted for debt service	438,948	309,595	314,171	317,758	733,562	733,164	733,264	1,018,037	1,426,830	1,425,701
Restricted for capital projects	-	-	-	232,300	1,183,350	4,265,268	1,166,442	3,962,644	10,646,450	4,256,167
Restricted for impact fees	2,649,336	2,401,217	2,740,656	1,876,393	1,966,315	1,980,150	2,467,095	2,895,677	3,047,942	3,010,687
Unrestricted	16,947,928	17,703,257	18,150,441	15,047,592	12,554,695	11,122,601	14,528,797	12,286,319	7,130,279	14,728,131
Total business-type activities net position	$ 73,169,094	$ 72,616,918	$ 73,539,838	$ 72,634,943	$ 71,834,190	$ 77,285,439	$ 81,316,882	$ 83,445,731	$ 87,873,198	$ 89,975,384
Primary government										
Net investment in capital assets	$ 124,183,976	$ 130,031,799	$ 140,562,852	$ 149,323,806	$ 154,936,226	$ 167,319,911	$ 175,930,373	$ 175,993,392	$ 165,365,720	$ 170,573,427
Restricted	4,907,241	7,137,631	7,193,601	7,425,536	9,549,677	24,487,525	14,659,858	21,497,351	41,279,564	38,795,780
Unrestricted	48,396,456	44,895,459	43,061,020	38,968,979	29,857,269	14,733,122	26,995,740	22,984,982	25,201,948	39,875,790
Total primary government net position	$ 177,487,673	$ 182,064,889	$ 190,817,473	$ 195,718,321	$ 194,343,172	$ 206,540,558	$ 217,585,971	$ 220,475,725	$ 231,847,232	$ 249,244,997

Source: Comprehensive Annual Financial Reports

CITY OF EULESS, TEXAS
CHANGES IN NET POSITION – LAST TEN FISCAL YEARS
(Accrual Basis of Accounting – Unaudited)

Table 2

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
Culture and recreation	$ 5,091,589	$ 5,680,772	$ 6,025,540	$ 6,424,683	$ 6,468,332	$ 6,998,904	$ 7,349,035	$ 7,070,484	$ 7,330,168	$ 5,538,905
Development services	1,707,148	972,770	1,155,089	1,367,005	877,713	918,214	999,153	1,038,328	1,057,414	1,062,784
General and administrative	15,698,832	15,910,313	17,145,752	18,017,535	19,949,733	20,722,236	20,816,148	21,356,342	21,112,696	20,827,914
Highways and streets	2,923,241	2,968,770	3,334,188	3,578,341	3,374,422	3,708,184	4,143,412	3,787,336	7,193,189	3,601,998
Public safety	20,754,733	22,316,429	23,324,328	24,278,144	23,807,143	26,673,966	28,265,072	27,424,253	30,352,705	27,354,689
Interest on long-term debt	1,618,420	1,327,482	1,227,084	1,126,017	1,136,786	1,807,001	1,502,912	1,632,302	2,010,814	2,560,933
Total governmental activities expenses	47,793,963	49,176,536	52,211,981	54,791,725	55,614,129	60,828,505	63,075,732	62,309,045	69,056,986	60,947,223
Business-type activities:										
Water and wastewater	17,827,272	17,813,199	18,554,761	20,298,024	19,970,346	21,009,701	21,673,844	23,225,786	23,493,321	25,333,182
Drainage utility	1,177,938	1,283,617	1,245,838	1,373,036	1,319,999	1,414,483	1,396,736	1,515,183	1,563,021	1,502,275
Golf	4,483,252	4,599,099	4,750,359	4,152,015	4,155,834	4,409,773	4,632,475	4,764,095	4,731,810	3,997,255
Other recreation enterprises	1,982,613	2,115,730	2,312,949	2,288,337	2,009,582	2,211,065	2,321,414	2,416,337	2,270,768	1,491,533
Total business-type activities expenses	25,471,075	25,811,645	26,863,907	28,111,412	27,455,761	29,045,022	30,024,469	31,921,401	32,058,920	32,324,245
Total primary government expenses	73,265,038	74,988,181	79,075,888	82,903,137	83,069,890	89,873,527	93,100,201	94,230,446	101,115,906	93,271,468
Program Revenues										
Governmental activities:										
Fees, fines, and charges for services										
Culture and recreation	69,950	65,912	297,361	304,283	317,024	291,349	264,307	252,000	266,091	10,124
Development services	779,939	1,263,477	1,186,347	1,321,040	1,409,703	1,717,416	2,019,496	1,875,120	2,133,420	1,697,637
General and administrative	1,707,890	1,760,023	1,383,779	1,347,600	1,342,091	1,285,797	1,156,745	1,066,075	861,929	1,067,485
Highways and streets	-	54,622	112,736	218,012	93,258	350,920	607,588	988,302	1,114,507	1,075,865
Public safety	3,271,115	3,097,141	3,355,604	3,567,917	3,452,086	3,383,743	3,151,407	3,104,895	2,541,205	2,288,377
Operating grants and contributions	469,404	481,655	2,978,933	633,080	597,437	578,007	592,870	740,969	622,061	3,594,939
Capital grants and contributions	1,015,402	689,642	1,213,341	1,552,118	3,228,945	3,375,733	2,356,556	2,354,450	1,304,420	2,190,770
Total governmental activities program revenues	7,313,700	7,412,472	10,528,101	8,944,050	10,440,544	10,982,965	10,148,969	10,381,811	8,843,633	11,925,197
Business-type activities:										
Charges for services										
Water and wastewater	19,978,802	18,437,963	19,183,198	19,353,144	20,593,262	23,759,236	24,178,812	27,504,814	26,400,731	26,934,154
Drainage utility	694,751	705,474	708,984	712,971	716,595	725,152	730,202	818,622	826,711	833,890
Golf	4,746,242	4,335,149	4,520,224	3,622,952	4,168,578	4,187,728	4,247,345	4,337,003	4,067,026	3,363,915
Other recreation enterprises	2,684,905	2,041,878	2,138,600	2,241,920	1,848,434	2,059,413	2,168,944	2,123,825	2,197,926	884,286
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	772,714	368,882	1,847,097	2,037,263	1,746,638	2,943,188	2,280,769	1,729,219	3,058,291	2,677,913
Total business-type activities program revenues	28,877,414	25,889,346	28,398,103	27,968,250	29,073,507	33,674,717	33,606,072	36,513,483	36,550,685	34,694,158
Total primary government program revenues	36,191,114	33,301,818	38,926,204	36,912,300	39,514,051	44,657,682	43,755,041	46,895,294	45,394,318	46,619,355
	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)

CITY OF EULESS, TEXAS
CHANGES IN NET POSITION – LAST TEN FISCAL YEARS
(Accrual Basis of Accounting – Unaudited) – Continued

Table 2

Net (Expense) Revenue										
Governmental activities	$ (40,480,263)	$ (41,764,064)	$ (41,683,880)	$ (45,847,675)	$ (45,173,585)	$ (49,845,540)	$ (52,926,763)	$ (51,927,234)	$ (60,213,353)	$ (49,022,026)
Business-type activities	3,406,339	77,701	1,534,196	(143,162)	1,617,746	4,629,695	3,581,603	4,592,082	4,491,765	2,369,913
Total primary government net expense	(37,073,924)	(41,686,363)	(40,149,684)	(45,990,837)	(43,555,839)	(45,215,845)	(49,345,160)	(47,335,152)	(55,721,588)	(46,652,113)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	11,855,993	12,451,543	12,744,753	13,488,816	14,358,074	14,752,044	16,656,028	18,630,301	20,428,821	22,837,075
Sales taxes	13,252,805	14,957,757	16,142,357	17,525,123	18,359,717	20,364,878	21,252,491	20,728,210	21,419,831	22,088,364
Car rental taxes	12,457,910	12,933,884	13,592,255	14,082,518	14,112,552	14,842,109	14,401,763	14,776,566	14,797,320	10,042,659
Mixed beverage taxes	66,383	54,138	60,823	69,160	84,533	101,503	128,250	154,035	138,219	146,188
Hotel/motel occupancy taxes	272,809	292,931	329,368	343,312	391,991	696,805	798,905	864,829	841,588	924,551
Gross receipts taxes	4,174,627	4,276,136	4,209,564	4,458,682	4,556,355	4,467,535	4,455,137	4,811,119	4,549,026	4,238,664
Investment income	168,929	132,607	106,521	70,374	127,367	271,786	451,406	963,670	1,882,696	1,054,661
Rents and royalties	-	397,527	1,481,305	1,390,283	1,166,832	1,105,829	1,149,534	1,223,788	1,348,465	1,462,429
Gain/(loss) on disposal of assets	100,110	68,329	117,763	84,664	-	-	124,792	-	-	-
Miscellaneous	1,419,512	637,975	35,884	48,773	35,128	692,939	755,996	772,773	930,764	971,040
Transfers	904,867	690,629	692,951	531,974	722,702	(703,751)	(233,569)	760,590	820,663	551,974
Total governmental activities	44,673,945	46,893,456	49,513,544	52,093,679	53,915,251	56,591,677	59,940,733	63,685,881	67,157,393	64,317,605
Business-type activities:										
Investment income	66,161	60,752	40,045	34,063	40,282	104,618	158,805	385,513	746,865	368,999
Gain on disposal of assets	(141,979)	-	41,630	-	4,199	13,185	57,466	2,873	9,500	(84,752)
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	(904,867)	(690,629)	(692,951)	(531,974)	(722,702)	703,751	233,569	(760,590)	(820,663)	(551,974)
Total business-type activities	(980,685)	(629,877)	(611,276)	(497,911)	(678,221)	821,554	449,840	(372,204)	(64,298)	(267,727)
Total primary government	43,693,260	46,263,579	48,902,268	51,595,768	53,237,030	57,413,231	60,390,573	63,313,677	67,093,095	64,049,878
Change in Net Position										
Governmental activities	4,193,682	5,129,392	7,829,664	6,246,004	8,741,666	6,746,137	7,013,970	11,758,647	6,944,040	15,295,579
Business-type activities	2,425,654	(552,176)	922,920	(641,073)	939,525	5,451,249	4,031,443	4,219,878	4,427,467	2,102,186
Total primary government	$ 6,619,336	$ 4,577,216	$ 8,752,584	$ 5,604,931	$ 9,681,191	$ 12,197,386	$ 11,045,413	$ 15,978,525	$ 11,371,507	$ 17,397,765
	(concluded)	(concluded)	(concluded)	(concluded)	(concluded)	(concluded)	(concluded)	(concluded)	(concluded)	(concluded)

Source: Comprehensive Annual Financial Reports

CITY OF EULESS, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting – Unaudited)

Table 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	$ 19,344	$ 28,796	$ 49,262	$ 48,072	$ 47,834	$ 35,250	$ 52,050	$ 51,409	$ 74,835	$ 158,975
Restricted	311,076	258,765	124,312	120,093	109,618	121,041	104,340	125,753	132,954	123,748
Assigned	103,423	111,096	121,542	121,334	116,336	113,655	107,657	121,708	135,720	145,057
Unreserved/Unassigned	7,296,719	8,913,078	9,595,558	10,560,958	10,775,542	11,973,524	13,185,421	14,255,823	16,630,106	19,790,726
Total general fund	$ 7,730,562	$ 9,311,735	$ 9,890,674	$ 10,850,457	$ 11,049,330	$ 12,243,470	$ 13,449,468	$ 14,554,693	$ 16,973,615	$ 20,218,506
All Other Governmental Funds										
Nonspendable	$ 5,665	$ 5,803	$ 9,464	$ 34,704	$ 15,399	$ 7,738	$ 22,028	$ 12,427	$ -	$ 24,873
Restricted for:										
Debt service	1,818,957	1,867,971	1,776,644	2,377,710	2,477,981	1,995,548	2,285,719	2,765,013	3,429,240	3,828,633
Capital projects	2,168,956	606,505	365,641	398,756	594,211	12,715,424	4,985,922	7,501,009	19,287,010	22,369,460
Other	87,972	1,694,821	1,872,178	2,089,735	2,455,941	2,718,045	2,952,158	3,229,218	3,309,138	3,081,384
Assigned	14,855,820	15,802,863	13,504,412	12,692,185	13,765,385	12,541,184	14,730,171	21,356,289	19,461,628	17,221,925
Total all other governmental funds	$ 18,937,370	$ 19,977,963	$ 17,528,339	$ 17,593,090	$ 19,308,917	$ 29,977,939	$ 24,975,998	$ 34,863,956	$ 45,487,016	$ 46,526,275

Source: Comprehensive Annual Financial Reports

CITY OF EULESS, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting – Unaudited)

Table 4

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
General property tax	$ 11,786,579	$ 12,382,757	$ 12,893,583	$ 13,468,394	$ 14,351,598	$ 14,771,632	$ 16,674,673	$ 18,652,639	$ 20,408,581	$ 22,736,528
Gross receipts tax	4,513,819	4,623,205	4,599,755	4,871,154	5,032,879	5,265,843	5,382,292	5,829,983	5,528,832	5,309,401
General sales tax	13,252,805	14,957,757	16,142,357	17,525,123	18,359,717	20,364,878	21,252,491	20,728,209	21,419,831	22,088,364
Car rental tax	12,457,910	12,933,884	13,592,255	14,082,518	14,112,552	14,842,109	14,401,763	14,776,566	14,797,320	10,042,659
Fines and fees	4,033,868	4,278,738	4,627,199	4,646,390	4,289,681	4,461,439	3,961,369	3,806,964	3,313,059	2,835,050
Licenses and permits	744,978	1,233,465	1,152,875	1,286,753	1,379,332	1,682,431	1,997,082	1,847,315	2,105,716	1,673,143
Investment income	143,564	107,195	92,118	57,880	105,443	237,949	385,769	821,642	1,623,907	869,827
DEA revenues	6,589	12,488	3,571	15,316	39,292	18,274	9,994	2,656	18,353	13,678
Intergovernmental	377,660	1,012,673	2,839,545	461,484	906,695	507,966	1,490,142	813,633	629,332	3,738,184
Rents and royalties	1,233,686	1,111,873	1,024,021	1,390,283	637,196	612,365	628,486	668,036	635,553	635,464
Other revenues	1,194,966	1,206,611	1,383,172	1,210,086	1,795,395	1,943,007	1,996,374	2,217,797	2,362,730	2,387,958
Total Revenues	49,746,424	53,860,646	58,350,451	59,015,381	61,009,780	64,707,893	68,180,435	70,165,440	72,843,214	72,330,256
Expenditures:										
Culture and recreation	4,335,786	4,676,100	5,171,477	5,558,463	5,704,520	6,023,057	6,324,436	6,372,535	6,258,492	6,785,529
Development services	1,340,898	688,296	806,275	1,017,903	882,212	862,571	931,119	1,036,278	1,001,587	1,065,028
General and administrative	15,610,772	15,539,673	17,207,934	17,711,441	18,357,428	18,975,116	18,985,489	19,790,021	19,038,500	18,727,050
Highways and streets	713,742	861,748	1,144,223	1,351,404	1,606,372	1,688,714	1,616,714	1,222,905	4,555,735	1,322,786
Public safety	19,492,862	21,074,399	22,192,488	23,121,457	23,521,280	24,698,550	26,068,993	26,977,362	27,738,238	28,322,488
Debt Service:										
Principal	3,445,000	8,210,000	3,975,000	5,567,404	4,284,197	3,530,000	3,848,825	4,761,697	4,828,848	4,605,000
Interest and fiscal charges	1,798,615	1,361,259	1,241,776	1,148,069	1,243,589	1,743,450	1,516,936	1,662,399	1,943,495	2,627,550
Issuance costs	178,229	184,966	26,064	-	-	-	-	-	-	-
Capital outlay	4,805,147	3,727,193	10,390,582	2,672,010	9,086,345	14,871,624	10,600,631	6,839,864	8,979,048	16,839,574
Total expenditures	51,721,051	56,323,634	62,155,819	58,148,151	64,685,943	72,393,082	69,893,143	68,663,061	74,343,943	80,295,005
Excess (deficiency) of revenues over (under) expenditures	(1,974,627)	(2,462,988)	(3,805,368)	867,230	(3,676,163)	(7,685,189)	(1,712,708)	1,502,379	(1,500,729)	(7,964,749)
Other Financing Sources (Uses):										
Capital lease	494,322	-	1,446,603	-	-	-	249,370	-	-	-
Issuance of debt	9,610,000	9,740,000	1,160,000	-	11,400,000	20,760,000	-	9,805,000	13,420,000	12,345,000
Payment of escrow for refunding	(6,804,790)	(5,381,310)	(1,190,252)	-	(6,074,450)	-	-	-	-	-
Premiums on issuance of debt	390,694	260,435	79,046	-	789,428	403,354	-	264,116	869,936	524,348
Bond discount	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	23,513	25,625	118,830
Transfers in	5,696,323	8,134,018	6,278,531	4,366,649	5,897,789	7,468,038	8,845,061	13,942,847	11,040,601	10,122,378
Transfers out	(5,016,456)	(7,668,389)	(5,839,245)	(4,209,345)	(6,421,904)	(9,083,041)	(11,177,666)	(14,544,672)	(10,813,451)	(10,861,657)
Total other financing sources	4,370,093	5,084,754	1,934,683	157,304	5,590,863	19,548,351	(2,083,235)	9,490,804	14,542,711	12,248,899
Net change in fund balances	$ 2,395,466	$ 2,621,766	$ (1,870,685)	$ 1,024,534	$ 1,914,700	$ 11,863,162	$ (3,795,943)	$ 10,993,183	$ 13,041,982	$ 4,284,150
Debt service as a percentage of noncapital expenditures	11.6%	18.5%	10.1%	12.1%	9.9%	9.2%	9.0%	10.4%	10.4%	11.4%

Source: Comprehensive Annual Financial Reports

CITY OF EULESS, TEXAS
ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY – LAST TEN FISCAL YEARS
(Unaudited)

Table 5

Fiscal Year	Estimated Value: Real Property	Estimated Value: Personal Property	Total Value	Less: Tax-Exempt Property	Total Taxable Value	Total Direct Tax Rate
2011	2,473,997,250	390,731,885	2,864,729,135	341,730,427	2,522,998,708	0.470000
2012	2,610,172,289	389,778,962	2,999,951,251	348,227,246	2,651,724,005	0.470000
2013	2,661,959,213	445,909,463	3,107,868,676	351,726,906	2,756,141,770	0.470000
2014	2,759,268,619	461,065,240	3,220,333,859	356,283,956	2,864,049,903	0.470000
2015	2,920,206,326	509,189,960	3,429,396,286	369,393,032	3,060,003,254	0.467500
2016	3,352,029,682	513,118,652	3,865,148,334	410,557,810	3,454,590,524	0.467500
2017	3,470,371,005	531,751,946	4,002,122,951	450,853,105	3,551,269,846	0.462500
2018	3,922,338,493	564,286,167	4,486,624,660	492,318,425	3,994,306,235	0.462500
2019	4,353,413,236	576,907,417	4,930,320,653	549,709,999	4,380,610,654	0.462500
2020	4,877,396,769	628,387,146	5,505,783,915	599,654,547	4,906,129,368	0.462500

Source: Tarrant Appraisal District

CITY OF EULESS, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES (per $100 of Assessed Value) – LAST TEN FISCAL YEARS
(Unaudited)

Table 6

	City Direct Rates			Overlapping Rates				
Fiscal Year	Operating / General Rate	General Obligation Debt Service	Total Direct Rate	Hurst-Euless-Bedford ISD	Grapevine-Colleyville ISD	Tarrant County	Tarrant County Hospital District	Tarrant County Community College
2011	0.343905	0.126095	0.470000	1.2882	1.2900	0.2640	0.2279	0.1376
2012	0.345388	0.124612	0.470000	1.4140	1.3100	0.2640	0.2280	0.1490
2013	0.355130	0.114870	0.470000	1.4075	1.3201	0.2640	0.2279	0.1490
2014	0.360619	0.109381	0.470000	1.3875	1.3201	0.2640	0.2279	0.1495
2015	0.364505	0.102995	0.467500	1.3750	1.3201	0.2640	0.2279	0.1495
2016	0.366571	0.100929	0.467500	1.3500	1.3201	0.2640	0.2279	0.1495
2017	0.363053	0.099447	0.462500	1.3160	1.3967	0.2540	0.2279	0.1447
2018	0.361056	0.101444	0.462500	1.2630	1.3967	0.2440	0.2244	0.1401
2019	0.371710	0.090790	0.462500	1.2730	1.3967	0.2340	0.2244	0.1361
2020	0.377974	0.084526	0.462500	1.2200	1.3267	0.2340	0.2244	0.1302

Sources: City of Euless Budget Office, Tarrant Appraisal District

CITY OF EULESS, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)

Table 7

Fiscal Year 2020			Fiscal Year 2011		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value [1]	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value [2]
Westdale Hills 2013 LP	$ 105,567,635	2.15 %	EAN Holdings, LLC	$ 49,711,429	1.97 %
EAN Holdings LLC	101,929,276	2.08	Avis Budget Group LLC	45,130,291	1.79
Star Monticello LLC/Star Kensington LLC	101,300,000	2.06	Hertz Corp	41,602,475	1.65
WOP Mandolin LLC	78,490,000	1.60	UDR The Mandolin LLC	36,867,932	1.46
Brazos TX Partners LLC	75,060,000	1.53	Oncor Electric Delivery Co. LLC	35,123,308	1.39
Stoneleigh at Bear Creek Apt.	66,300,000	1.35	Somerset Village Partners LP	33,352,614	1.32
CMF 15 Portfolio LLC	61,390,000	1.25	CMF 15 Portfolio LLC	29,790,000	1.18
Bedrock Holdings II (Dallas) LLC	59,480,000	1.21	IRA Stoneleigh FEECO LLC	29,411,000	1.17
Avenue 900 Holdings LLC	55,280,000	1.13	Seramont II LP	28,439,000	1.13
Creekwood Trinity Union LLC	50,416,213	1.03	Glade 121 LP	25,466,768	1.01
Total	$ 755,213,124	15.39 %	Total	$ 354,894,817	14.07 %

Source: Tarrant County Tax Office

Notes:

[1] Total Taxable Value including real and personal property for tax year 2019 (fiscal year 2020) is $4,906,129,368.

[2] Total Taxable Value including real and personal property for tax year 2010 (fiscal year 2011) is $2,522,998,708.

CITY OF EULESS, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS – LAST TEN FISCAL YEARS
(Unaudited)

Table 8

Fiscal Year	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection		Delinquent Taxes	
				Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2011	11,796,659	(39,704)	11,756,955	11,637,719	98.99%	109,279	11,746,998	99.92%	9,956	0.08%
2012	12,436,816	(89,925)	12,346,891	12,252,510	99.24%	80,961	12,333,471	99.89%	13,420	0.11%
2013	12,926,215	(227,241)	12,698,974	12,648,635	99.60%	35,906	12,684,541	99.89%	14,433	0.11%
2014	13,426,248	(70,742)	13,355,506	13,303,694	99.61%	34,430	13,338,124	99.87%	17,382	0.13%
2015	14,245,865	(194,614)	14,051,251	14,049,020	99.98%	(13,154)	14,035,866	99.89%	15,385	0.11%
2016	13,671,980	870,161	14,542,141	14,481,033	99.58%	43,270	14,524,303	99.88%	17,838	0.12%
2017	15,828,162	376,910	16,205,072	16,191,555	99.92%	(4,616)	16,186,939	99.89%	18,133	0.11%
2018	18,199,497	(44,171)	18,155,326	18,131,429	99.87%	4,136	18,135,565	99.89%	19,760	0.11%
2019	19,850,820	(36,179)	19,814,641	19,769,021	99.77%	7,396	19,776,417	99.81%	38,224	0.19%
2020	22,134,132	-	22,134,132	21,970,578	99.26%	-	21,970,578	99.26%	163,554	0.74%

Source: Tarrant County Tax Office and Tarrant Appraisal District

CITY OF EULESS, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE – LAST TEN FISCAL YEARS
(Unaudited)

Table 9

	Governmental Activities						Business-Type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Tax Notes	Sales Tax Revenue Bonds	Capital Leases	Premiums/ Discounts on Debt Issues and Losses on Refundings [1]	W&S Revenue Bonds	General Obligation Refunding Bonds	Premiums/ Discounts on Debt Issues and Losses on Refundings [1]	Total Primary Government	Percentage of Personal Income [3]	Per Capita [3]
2011	29,235,000	6,590,000	-	3,715,000	356,897	(373,493)	3,580,000	8,675,000	(825,449)	50,952,955	3.60%	$ 994
2012	29,915,000	3,230,000	-	2,910,000	272,526	(495,831)	3,435,000	8,165,000	(930,576)	46,501,119	3.37%	$ 903
2013	27,095,000	2,910,000	-	2,050,000	1,631,602	(396,737)	4,690,000	7,495,000	(610,729)	44,864,136	3.30%	$ 867
2014	24,070,000	2,780,000	-	1,175,000	94,196	622,367 [2]	4,285,000	6,915,000	237,146 [2]	40,178,709	2.53%	$ 731
2015	20,655,000	8,365,000	-	285,000	-	994,148 [2]	10,940,000	6,320,000	211,601 [2]	47,770,749	2.98%	$ 884
2016	17,425,000	27,710,000	1,280,000	120,000	-	1,497,876 [2]	10,305,000	5,695,000	186,063 [2]	64,218,939	3.94%	$ 1,184
2017	14,490,000	27,350,000	860,000	75,000	160,545	1,099,640 [2]	9,540,000	5,240,000	168,446 [2]	58,983,631	3.62%	$ 1,075
2018	11,460,000	35,660,000	735,000	40,000	83,848	1,211,502 [2]	11,545,000	4,770,000	150,830 [2]	65,656,180	3.82%	$ 1,190
2019	8,805,000	46,200,000	-	1,565,000	-	1,887,637 [2]	19,905,000	4,295,000	133,213 [2]	82,790,850	4.49%	$ 1,474
2020	6,040,000	51,710,000	1,110,000	5,450,000	-	2,195,218 [2]	18,725,000	3,805,000	115,597 [2]	89,150,815	4.48%	$ 1,549

Note: Details regarding the City's outstanding debt can be found in the notes to the Financial Statements.

[1] Column added to table in 2016; prior year figures have been restated to include amounts reflected.

[2] Calculations for fiscal years after 2013 do not include losses on refundings due to their balance sheet reclassification to Deferred Inflows of Resources.

[3] See Table 14 for personal income and population data.

CITY OF EULESS, TEXAS
RATIO OF NET GENERAL BONDED DEBT TO TAXABLE ASSESSED VALUE AND NET BONDED DEBT PER CAPITA – LAST TEN FISCAL YEARS
(Unaudited)

Table 10

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	Certificates of Obligation	Premiums/ Discounts on Debt Issues and Losses on Refundings [1]	Less: Debt Service Reserves	Net O/S Debt Total [6]	Estimated Population [2]	Taxable Value [3]	Net Debt to Taxable Value	Net General Debt Per Capita
2011	37,910,000	6,590,000	(1,074,877)	880,619	42,544,504	51,277	2,522,998,708	1.69%	$ 830
2012	38,080,000	3,230,000	(1,126,577)	956,430	39,226,993	51,500	2,651,724,005	1.48%	$ 762
2013	34,590,000	2,910,000	(721,626)	807,054	35,971,320	51,750	2,756,141,770	1.31%	$ 695
2014	30,985,000	2,780,000	883,948 [5]	796,454	33,852,494	53,780	2,864,049,903	1.18%	$ 629
2015	26,975,000	8,365,000	1,228,901 [5]	813,841	35,755,060	54,050	3,060,003,254	1.17%	$ 662
2016 [4]	23,120,000	27,710,000	1,446,619 [5]	1,056,021	51,220,598	54,250	3,454,590,524	1.48%	$ 944
2017	19,730,000	27,350,000	1,288,664 [5]	1,398,495	46,970,169	54,870	3,551,269,846	1.32%	$ 856
2018	16,230,000	35,660,000	1,381,631 [5]	1,914,141	51,357,490	55,170	3,994,306,235	1.29%	$ 931
2019	13,100,000	46,200,000	2,038,856 [5]	2,415,379	58,923,477	56,160	4,380,610,654	1.35%	$ 1,049
2020	9,845,000	51,710,000	2,066,094 [5]	2,676,299	60,944,795	57,550	4,906,129,368	1.24%	$ 1,059

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. Total does not include revenue bonds.

Source: [1] Column added to table in 2016, prior years restated to include amounts shown.

[2] Estimates by North Central Texas Council of Governments and Euless Planning and Development Department

[3] Tarrant Appraisal District

[4] Taxable value restated to fiscal year end amounts.

[5] Calculations for fiscal years after 2013 do not include losses on refundings due to their balance sheet reclassification to Deferred Inflows of Resources.

[6] For the 9/30/2018 and beyond presentations, tax notes and leases were removed as these debt instruments are not considered bonded debt.

CITY OF EULESS, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2020 – (Unaudited)

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Grapevine-Colleyville Independent School District	$ 399,400,437	10.14%	$ 40,499,204
Hurst-Euless-Bedford Independent School District	364,720,000	21.01%	76,627,672
Tarrant County	240,445,000	2.50%	6,011,125
Tarrant County Hospital District	16,135,000	2.50%	403,375
Tarrant County College District	264,175,000	2.50%	6,604,375
Subtotal, overlapping debt			130,145,751
Debt repaid with property taxes			
City of Euless (direct debt)	60,591,236	100.00%	60,591,236
Total direct and overlapping debt repaid with property taxes			$ 190,736,987

Notes: The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable value.

The current year calculation of direct debt includes all general governmental activities debt excluding sales tax revenue bonds which are not repaid with property taxes. Amounts shown have been adjusted for losses on prior refundings, premiums, and discounts.

Source: Debt outstanding data provided by Municipal Advisory Council of Texas and City records.

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE WATER AND WASTEWATER BONDS – LAST TEN FISCAL YEARS
(Unaudited)

Table 12

Fiscal Year	Total Revenues [1]	Less Operating Expenses [2]	Net Revenue Available	Principal	Interest and Fiscal Charges	Total	Coverage Ratio
2011	20,148,834	15,952,372	4,196,462	270,000	161,333	431,333	9.73
2012	18,714,408	15,824,724	2,889,684	90,000	105,785	195,785	14.76
2013	19,399,314	16,660,397	2,738,917	330,000	82,110	412,110	6.65
2014	19,729,539	18,269,093	1,460,446	405,000	122,229	527,229	2.77
2015	21,182,560	17,879,209	3,303,351	410,000	129,703	539,703	6.12
2016	24,311,965	18,625,302	5,686,663	635,000	181,747	816,747	6.96
2017	24,353,525	19,249,699	5,103,826	765,000	175,682	940,682	5.43
2018	27,828,648	20,880,984	6,947,664	780,000	184,154	964,154	7.21
2019	27,603,615	21,006,298	6,597,317	915,000	191,327	1,106,327	5.96
2020	27,683,951	23,101,386	4,582,565	1,180,000	306,354	1,486,354	3.08

Notes: [1] Operating and nonoperating revenues of water and wastewater fund

[2] Total operating expenses of water and wastewater fund exclusive of depreciation and amortization

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE DRAINAGE UTILITY BONDS – LAST TEN FISCAL YEARS
(Unaudited)

Table 13

Fiscal Year	Total Revenues [1]	Less Operating Expenses [2]	Net Revenue Available	Principal	Interest and Fiscal Charges	Total	Coverage Ratio
2011	$ 699,709	$ 519,622	$ 180,087	-	-	-	n/a
2012	707,165	604,994	102,171	-	-	-	n/a
2013	711,154	567,215	143,939	-	-	-	n/a
2014	715,800	663,625	52,175	-	-	-	n/a
2015	717,763	581,364	136,399	-	-	-	n/a
2016	812,399	666,628	145,771	-	-	-	n/a
2017	741,055	629,112	111,943	-	-	-	n/a
2018	840,916	741,964	98,952	-	-	-	n/a
2019	860,553	764,267	96,286	-	-	-	n/a
2020	846,154	705,464	140,690	-	-	-	n/a

Notes: [1] Operating and nonoperating revenues of drainage utility fund

[2] Total operating expenses of drainage utility fund exclusive of depreciation and amortization

CITY OF EULESS, TEXAS
DEMOGRAPHIC STATISTICS – LAST TEN FISCAL YEARS
(Unaudited)

Table 14

Fiscal Year	Estimated Population [1]	Per Capita Income [2]	Personal Income (thousands of dollars)	Median Age [2]	School Enrollment [3]	Unemployment Rate [4]
2011	51,277	$ 27,590	$ 1,414,732	34.4	21,071	7.3%
2012	51,500	$ 26,820	$ 1,381,230	34.4	21,570	6.6%
2013	51,750	$ 26,299	$ 1,360,973	34.6	21,814	5.4%
2014	53,780	$ 28,947	$ 1,556,770	31.8	22,138	5.0%
2015	54,050	$ 29,651	$ 1,602,637	34.7	22,762	3.6%
2016	54,250	$ 30,054	$ 1,630,430	34.9	23,090	3.8%
2017	54,870	$ 29,730	$ 1,631,285	34.9	23,425	3.2%
2018	55,170	$ 31,117	$ 1,716,725	34.9	23,632	3.5%
2019	56,160	$ 32,810	$ 1,842,610	36.1	23,624 [5]	3.6%
2020	57,550	$ 34,575	$ 1,989,791	35.3	23,756	8.9%

Notes: [1] Estimates by North Central Texas Council of Governments

[2] Estimates by Claritas Site Reports; *Research & Demographic Solutions; 2014 forward from US Census Bureau*

[3] Hurst-Euless-Bedford Independent School District

[4] Texas Workforce Commission; Bureau of Labor Statistics

[5] Updated from projected to actual

CITY OF EULESS, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Table 15

2020*			2011		
Employer	Employees	Percentage of Estimated Total City Employment	Employer	Employees	Percentage of Estimated Total City Employment
LSG Sky Chefs, Inc.	1,000	4.14%	HEB ISD	833	3.41%
HEB ISD	845	3.50%	LSG Sky Chefs, Inc.	571	2.34%
Autogrill Group, Inc.	450	1.87%	Autogrill Group, Inc.	462	1.89%
City of Euless	392	1.62%	City of Euless	362	1.48%
Target	250	1.04%	Redi-Mix Concrete	350	1.43%
Lowe's	225	0.93%	Life Outreach International	186	0.76%
Redi-Mix Concrete	192	0.80%	Super Target	180	0.74%
Life Outreach International	186	0.77%	Lowe's	110	0.45%
Dave and Buster's	150	0.62%	Home Depot	117	0.48%
Lazy Dog	125	0.52%	TJ Lambrecht Construction	120	0.49%
Total	3,815	15.81%		3,291	13.47%

Source: City of Euless Planning and Development Department

* Prior year data used if updated information was unavailable.

CITY OF EULESS, TEXAS
FULL–TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS
(Unaudited)

Table 16

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government and Administration	48.50	48.50	48.50	48.50	48.00	49.50	50.00	51.00	50.50	50.50
Public Safety	121.00	129.00	132.00	135.00	136.00	136.00	136.00	137.00	137.00	139.00
Fire Safety	71.00	72.00	72.00	72.00	72.00	72.00	75.00	75.00	75.00	75.00
Development Services	13.50	6.00	6.00	7.50	7.50	7.50	8.00	7.50	7.50	7.50
Culture and Recreational	31.00	32.00	30.50	33.25	34.25	34.25	35.25	35.25	35.25	34.25
Water and Wastewater	42.00	42.50	42.00	42.00	42.00	42.50	42.50	43.50	43.00	44.00
Golf Course	13.00	13.00	12.00	10.75	11.75	11.75	11.75	11.75	11.75	11.75
Public Works	17.50	18.50	18.50	18.50	20.00	20.00	21.00	22.50	23.50	23.50
Service Center	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Risk Management / Insurance	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	364.00	368.00	368.00	374.00	378.00	380.00	386.00	390.00	390.00	392.00

Source: City Budget Office

CITY OF EULESS, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS
(Unaudited)

Table 17

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police										
Number of Certified Officers	85	85	87	92	92	92	87	91	91	86
Number of Citations Issued	21,790	22,787	26,356	25,500	24,573	18,483	25,061	19,100	16,552	11,154
Fire										
Number of Certified Firefighters	69	70	70	70	70	70	72	73	74	72
Number of Alarms	4,196	4,204	4,296	4,505	4,686	4,770	4,678	3,758	4,324	4,735
Number of EMS Calls	2,848	2,982	3,108	3,230	3,424	3,431	3,772	3,468	2,958	3,256
Municipal Court										
Cases Filed	27,022	26,889	32,192	31,172	28,885	25,957	25,061	25,101	22,472	15,400
Development										
Number Residential Inspections - New	52	44	42	107	176	186	176	214	93	3
Number Commercial Inspections - New	11	29	16	29	33	15	36	32	18	12
Number Multifamily Inspections - New	0	0	0	1	1	0	0	1	6	0
Public Works										
Street Overlay (Square Footage)	953,406	368,654	540,613	631,260	430,504	1,156,833	1,549,065	1,063,046	1,289,759	1,010,016
Cultural and Recreational										
Parks and Recreation										
Recreation Center Memberships	4,337	3,654	5,137	6,261	6,742 (1)	6,975	6,528	7,183	7,125	2,820
Water and Wastewater										
Number of Water Consumers	24,924	24,428	25,039	25,319	26,014	25,812	25,970	26,200	26,659	27,467
Water Produced (In Gallons x 1000)	477,914	299,107	416,843	380,864	741,225	540,921	439,255	580,337	569,697	8,520
Water Purchased - TRA (In Gallons x 1000)	2,566,370	2,440,539	2,133,211	2,154,469	1,628,651	1,787,547	1,766,692	1,767,677	1,586,667	2,250,350
Water Supplied (In Gallons x 1000)	3,044,284	2,739,646	2,550,054	2,535,333	2,369,876	2,328,468	2,205,947	2,348,014	2,156,364	2,258,870
Annual Rainfall (In Inches)	22.26	36.57	24.41	23.98	44.45	53.16	34.96	42.39	48.20	45.00
Golf Course										
Number of Paid Rounds Played	35,075	34,550	35,890	22,110 (2)	33,735	32,852	33,237	32,557	32,016	30,860

Source: City Departments
Comprehensive Annual Financial Report
City Budget Office

Notes:

(1) Amount restated to include recreation, aquatic and senior memberships.

(2) Golf course closed for 3½ months for renovations in 2014.

CITY OF EULESS, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS
(Unaudited)

Table 18

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets - Paved [1]	332.1	332.4	333.4	340.62	342.8	344.77	350.12	350.12	351.74	351.74
Cultural and Recreational										
Aquatic Facilities	3	3	4	3	3	3	3	3	3	2
Parks [2]	16	16	16	16	16	16	16	16	16	16
Parks Land (Acres) [3]	341	341	341	341	341	341	341	341	341	341
Other Facilities (Acres) [3]	291	291	291	291	291	291	291	291	291	291
Community Buildings	6	6	6	6	6	6	6	6	6	6
Ampitheater	2	2	2	3	3	3	3	3	3	3
Conference Centre	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Softball Facility [4]	1	1	1	1	1	1	1	1	1	1
Athletic Fields	33	33	33	28	28	30	30	30	30	30
Library Holdings	110,149	111,230	111,312	105500	98596	101160	85,123	80,241	81,353	82,501
Water and Wastewater										
Water Mains - Potable [5]	228.50	227.99	231.06	232.28	234.84	235.50	236.30	239.10	241.93	242.28
Water Mains - Reclaimed [5]	-	-	1.73	3.22	3.70	3.82	3.96	4.12	7.15	11.65
Fire Hydrants	1,526	1,550	1,579	1,633	1,648	1,674	1,719	1,798	1,805	1,836
Wastewater Mains [5]	186.7	187.6	187.6	191.3	192.4	193.2	195.2	197.0	198.4	201.0

Source: City Departments

[1] Fiscal years to 2010 are reported in linear miles. 2011 to current are reported in lane miles.

[2] Restated to exclude Softball Facility

[3] Restated to reflect Golf Course and Softball Facility land separately

[4] Added Softball Facility

[5] Miles of lines. Fiscal year 2012 figures have been restated to exclude approximately two miles of TRA lines that had been accidentally included as City lines.

THE CITY OF
EULESS